Verus



PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS

PERIOD ENDING: DECEMBER 31, 2025

Investment Performance Review for

Kern County Employees' Retirement Association

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1ST QUARTER 2026
Investment Landscape

Verus business update

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Every year Verus identifies a series of topics that we believe will be important for investors to consider during the coming year. Some of those tend to be economics or markets focused, while others tend to focus on geopolitics or other broader issues. The paper also looks back at the past years' forecasts.

STATE OF THE CORE REAL ESTATE FUND UNIVERSE

Verus addresses the state of the core real estate fund universe. Discussion includes the mixed fundamental conditions facing the asset class and the heavy redemption queues that continue to challenge certain funds and frustrate investors who are seeking liquidity.

We explore the dichotomy in LDI adoption between sponsor types. We discuss the characteristics of pension plans that make LDI strategies beneficial. We assess the current environment, to illustrate why LDI may appear relatively attractive today.

THIS MATTERS, AND THIS DOESN'T

We offer perspectives regarding what we watch out for to acknowledge or even avoid biases where possible. Deciding what matters most to the portfolio by ensuring a balanced set of information sources, keeping a watchful eye for biases and carefully thinking about incentives, and also determining what doesn't matter.

4th quarter summary

THE ECONOMY

— U.S. real GDP grew at an impressive rate in Q3 QoQ, fueled by consumer purchases, exports, and government spending. The Atlanta Fed GDPNow indicator suggested an incredible 5.3% QoQ growth rate in Q4, as of January 14th. The economy may continue to surpass expectations in 2026 with strong spending, monetary and fiscal easing, and further signs of productivity gains from AI investment.

— U.S. inflation eased during Q4. The November report was surprisingly soft at 2.7% YoY and December data reinforced this figure. Inflation was not reported in October due to the government shutdown and a lack of price data collection. This was the first missed inflation report in modern history, and questions remain broadly about the robustness of recent inflation reports.

EQUITY

— International developed equity (MSCI EAFE +4.9%) and emerging market equities (MSCI EM +4.7%) led during Q4, while domestic equities lagged (S&P 500 +2.7%). The outperformance of non-U.S. was materially larger for investors with currency hedging programs in place, due to the pain of U.S. dollar appreciation.

— U.S. equity P/E multiples moved further upwards, on positive earnings surprise and enthusiasm that certain headwinds may be easing. Tariff-fueled inflation has been far more tepid than feared, international trade volume has fared well despite trade frictions, and growth has been resilient.

FIXED INCOME

— High-quality bonds produced slightly positive returns in Q4 and mid single digit returns over the full year. Riskier fixed income delivered stronger returns during those periods. Falling long-term bond yields boosted the returns of duration assets, while stable spreads and mild default activity allowed investors to capture the spreads of risk assets such as high yield bonds and bank loans.

— High yield bond defaults rose slightly to 1.9% YoY, below the 15-year average of 2.5%. Loan default rates fell to 2.9% YoY, slightly above the 15-year average of 2.4%. Following the First Brands and Tricolor defaults in late 2025 which created a market-wide credit scare, recent evidence seems to suggest that these were isolated incidents of fraud rather than indicative of broader systemic issues.

ASSET ALLOCATION ISSUES

— Investors benefited from strong returns across most asset classes during 2025. Global equities delivered +22.3% on earnings growth and surprisingly resilient economic conditions, U.S. high yield bonds generated +8.6% as spreads were stable, and core fixed income delivered +7.3%, fueled by lower yields and Fed rate cuts.

— Market-priced volatility ended Q4 at a very low level of 14%, but exhibited spikes throughout the period as the U.S. government shutdown shook markets on multiple days, along with tariff surprises. Volatility may continue to ease as fears around inflation and the economy fade.

Strong Q4 gains across most asset classes closed out an incredible year for total portfolio performance

Although risk asset valuations are generally expensive, earnings momentum and productivity improvements could support further gains in 2026

What drove the market in Q4?

"S&P 500 ends Friday with another record close, scores a winning week"

S&P 500				
09/30	10/31	11/30	12/31	01/20
6198	6238	6460	6704	6850

Article Source: CNBC, January 8th, 2026

"December's Jobs Data Reinforces Fed's Cautious Approach to Future Cuts"

Effective Federal Funds Rate					
09/2024	12/2024	03/2025	06/2025	09/2025	12/2025
5.13%	4.48%	4.33%	4.33%	4.22%	3.72%

Article Source: New York Times, January 9th, 2026 – end of month figures shown

"US job growth stuck at stall speed in December; unemployment rate dips to 4.4%"

% Monthly Change in Employment					
June '23	Dec '23	June '24	Dec '24	June '25	Dec '25
0.17%	0.17%	0.06%	0.20%	-0.01%	0.03%

Article Source: Reuters, January 9th, 2026

"US Core CPI Rises 0.2%, Bucking Estimates for Bigger Rebound"

U.S. Inflation (year-over-year)							
May '25	Jun '25	Jul '25	Aug '25	Sep '25	Oct '25	Nov '25	Dec '25
2.4%	2.7%	2.7%	2.9%	3.0%	*N/A*	2.7%	2.7%

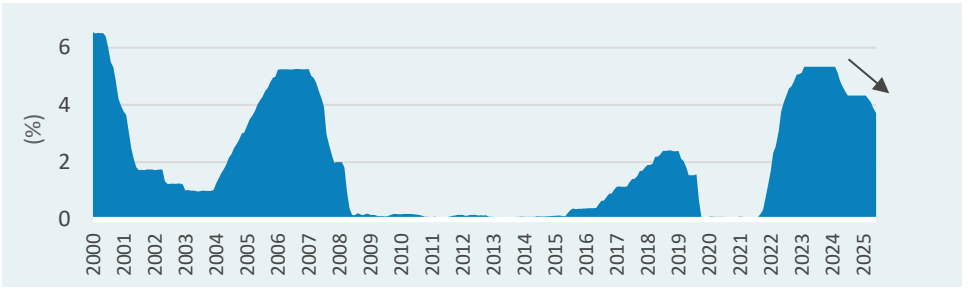
Article Source: Bloomberg, January 13th, 2026

U.S. EQUITY PERFORMANCE



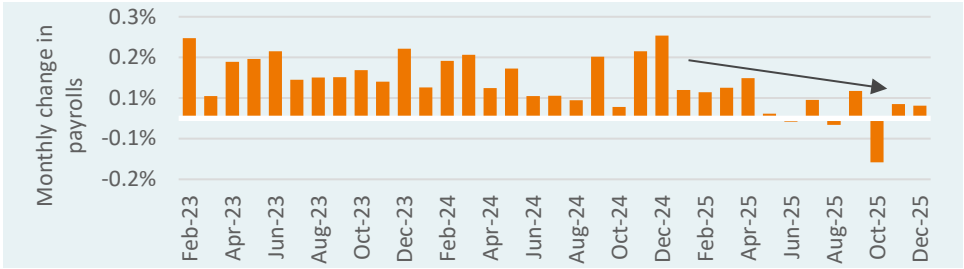
Source: Standard & Poor's, as of 12/31/25

EFFECTIVE FEDERAL FUNDS RATE



Source: FRED, as of 12/31/25

U.S. MONTHLY JOB GROWTH



Economic environment

U.S. economics summary

— The U.S. Q3 GDP report reflected an impressive annualized real growth rate of 4.3% QoQ, fueled by consumer spending, exports, and government spending while investment was flat. The Atlanta Fed GDPNow indicator suggested an incredible 5.3% QoQ growth rate in Q4, as of January 14th. We believe the economy may continue to surpass expectations in 2026, on strong spending, monetary and fiscal easing, and further signs of productivity gains from AI investment.

— Unemployment increased during the quarter from 4.4% to 4.5% but fell back to 4.4% in December. Job growth has been very weak but does not appear to be moving towards net job loss, which historically has been a flashing signal of recession. Despite new hiring activity suggesting a sour labor market, layoffs remain very low relative to history. The current labor market has been recently described as *low hires and low fires*.

— The Federal Reserve voted to cut interest rates again by 0.25% at the December meeting, marking three consecutive meetings of cuts. Focus seems to have shifted away from inflation and towards the labor market, as job gains have slowed and households express less confidence in job availability.

— U.S. inflation eased during Q4 according to the Bureau of Labor Statistics. The December report reflected a 2.7% YoY rate, which was also the core inflation figure. Inflation was not reported in October due to the government shutdown and a lack of price data collection. This was the first missed inflation report in modern history, and we believe it is fair to categorize that report as 'partially complete' as questions remain around the robustness of recent figures.

— Poor consumer sentiment continued during Q4, with sentiment of lower income consumers rising and sentiment of higher income consumers falling, according to the University of Michigan. This coincided with a trend of greater job loss among higher educated Americans, which could be AI-driven. Households expressed frustration over high prices and a softening labor market, though tariffs are becoming less of a focus.

	Most Recent	12 Months Prior
Real GDP *(YoY)*	2.3% *9/30/2025*	2.8% *9/30/2024*
Inflation *(CPI YoY, Core)*	2.6% *12/31/2025*	3.2% *12/31/2024*
Expected Inflation *(5yr-5yr forward)*	2.2% *12/31/2025*	2.3% *12/31/2024*
Fed Funds Target Range	3.50% - 3.75% *12/31/2025*	4.25% - 4.50% *12/31/2024*
10-Year Rate	4.2% *12/31/2025*	4.6% *12/31/2024*
U-3 Unemployment	4.4% *12/31/2025*	4.1% *12/31/2024*
U-6 Unemployment	8.4% *12/31/2025*	7.6% *12/31/2024*

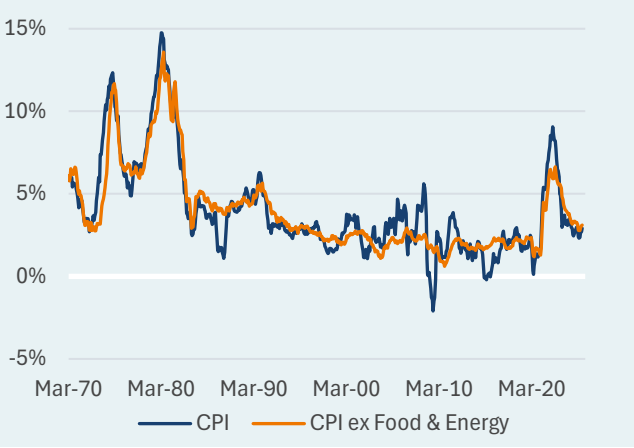
Inflation

U.S. inflation (CPI) eased during Q4 according to the Bureau of Labor Statistics. The December report reflected a 2.7% rate of inflation year-over-year, which was also the core inflation figure (ex-food & energy). Inflation was not reported in October due to the government shutdown and a lack of price data collection during that time. This was the first missed inflation report in modern history, and we believe it is fair to categorize that report as 'partially complete'. Controversies exist around the way in which partial data was handled, and investors may consider monitoring the next few inflation reports to gain more clarity.

Many goods categories that are most exposed to tariff price hikes have shown only mild price rises over the past year, or have even shown negative price movement. It seems likely that tariff-driven inflation will be moderate in nature overall, with price rises that do occur taking more time to be worked out.

We believe that the rate of inflation in 2026 will remain sticky and above the Fed's target, and that a stronger than expected economy may present some ongoing upward price pressure.

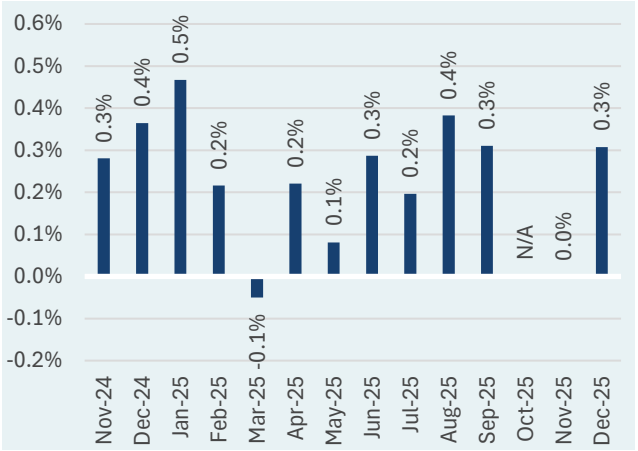
U.S. CPI (YOY)



WHERE IS THE TARIFF INFLATION?

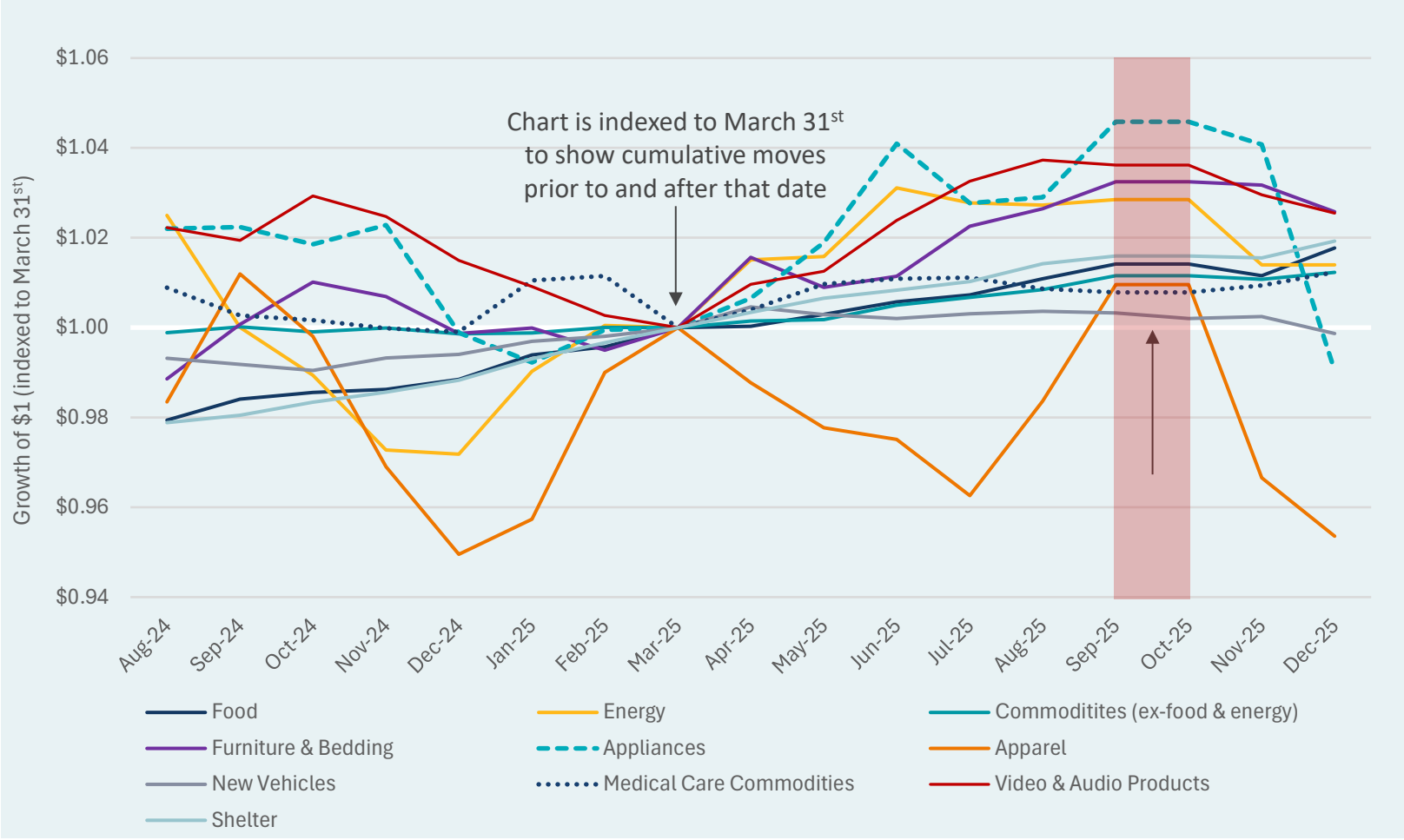
Categories less related to tariffs:	Size of category in the overall inflation calculation	Inflation (YoY)
Food	13.7%	3.1%
Food away from home	5.7%	2.4%
Meats, poultry, fish, & eggs	1.5%	6.9%
Shelter	35.5%	3.2%
Tuition, other school fees & childcare	2.5%	2.9%
Recreation services	3.4%	4.0%
Energy services	3.2%	7.7%
Medical care services	6.8%	3.5%
Categories more related to tariffs:		
Apparel	2.5%	0.6%
Toys	0.3%	0.8%
Footwear	0.6%	1.1%
New vehicles	4.3%	0.3%
Televisions	0.1%	-7.2%
Household furnishings & supplies	3.4%	3.4%
Tools, outdoor equipment & supplies	0.9%	5.4%

MONTHLY PRICE MOVEMENT (CPI)

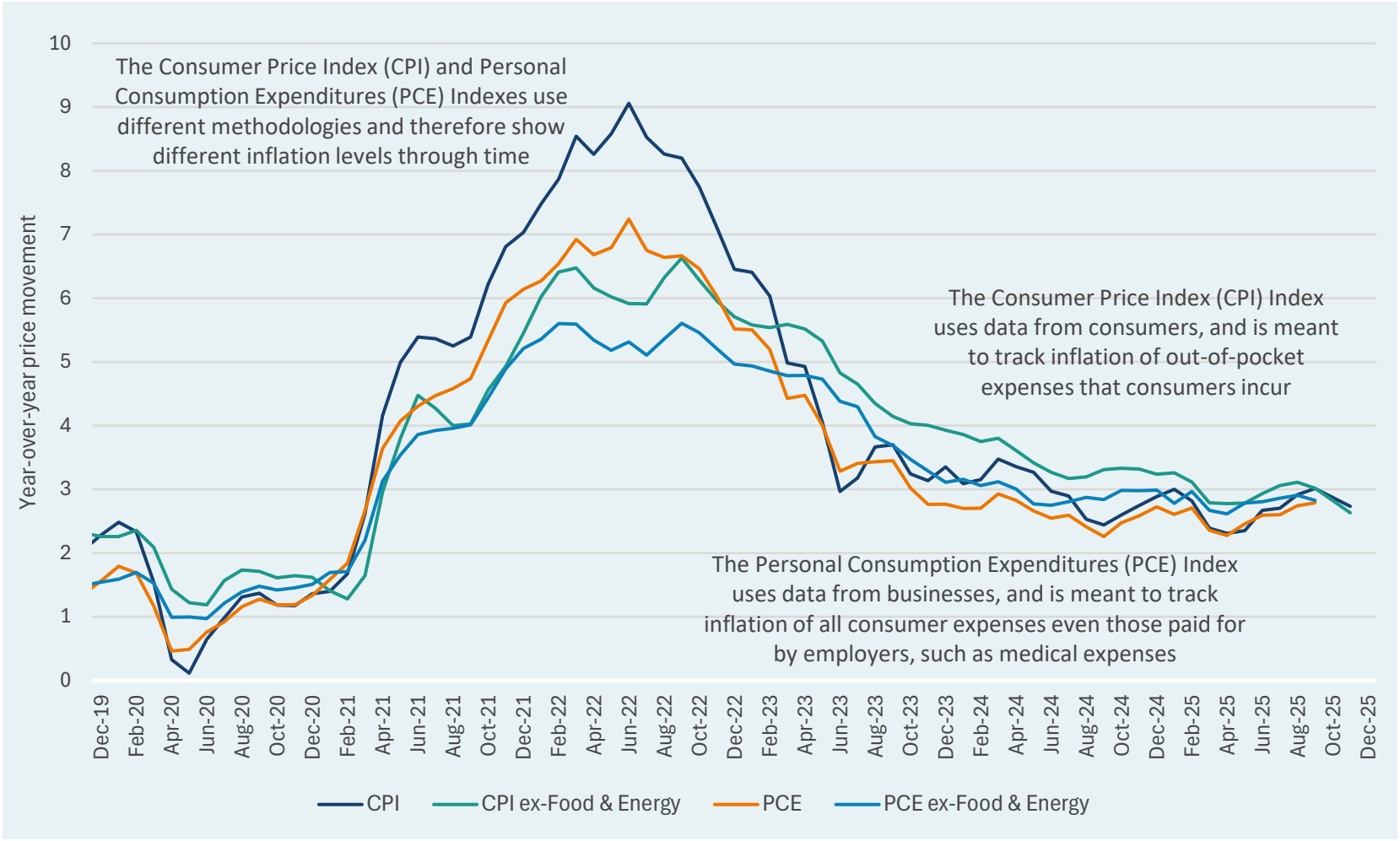


Few signs of tariff-driven inflation

INFLATION TRENDS SINCE APRIL



…while inflation remains above target



Inflation eased during Q4, though controversy exists around the way in which partial data was handled following the government shutdown

Source: FRED, Verus, as of 12/31/25 or most recent release

GDP growth

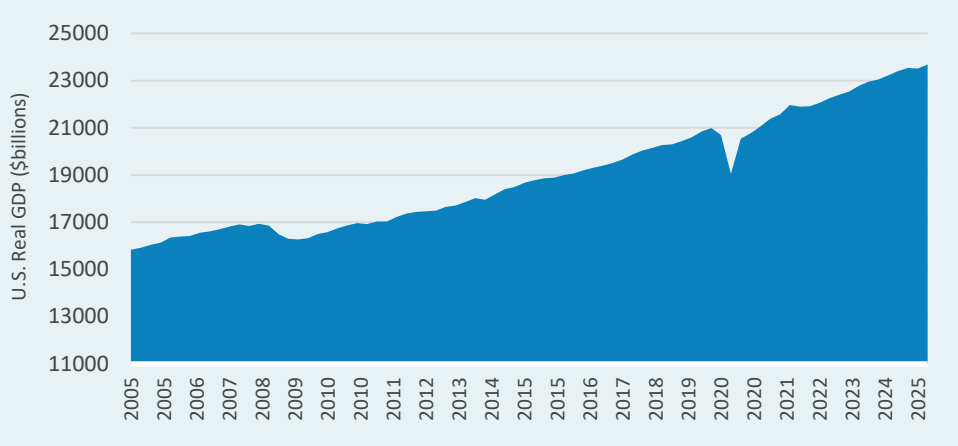
The U.S. Q3 GDP report reflected an impressive annualized real growth rate of 4.3% quarter-over-quarter that was fueled by consumer spending, exports, and government spending, while investment was flat. Calendar year 2025 might reasonably be described as a time of resilient consumer spending, a lower trade deficit with fewer imports providing some support to domestic growth, and government spending playing less of a role following broad cuts by the administration. The Atlanta Fed GDPNow indicator suggested an incredible 5.3% QoQ growth rate in Q4, as of January 14th.

As 2025 has come to a close, we note a fairly consistent and salient theme—the degree to which economists missed the mark this year on a variety of predictions. First, dire forecasts for spiking inflation fueled by tariffs turned out to be incorrect, as inflation is slightly lower year-over-year. Second, materially slower economic growth due to new trade barriers, or even a seizing up of international supply chains, has not happened. Domestic growth rates in Q2 and Q3 were some of the strongest of the past decade. Lastly, forecasts for spiking inflation and falling growth culminated in an intense popularity of the word "stagflation" since April; however, the U.S. economy has exhibited the opposite—a relatively good rate of growth with some moderation of inflation.

We believe the economy may continue to surpass expectations in 2026, on strong spending, monetary and fiscal easing, and further signs of productivity gains from AI investment.

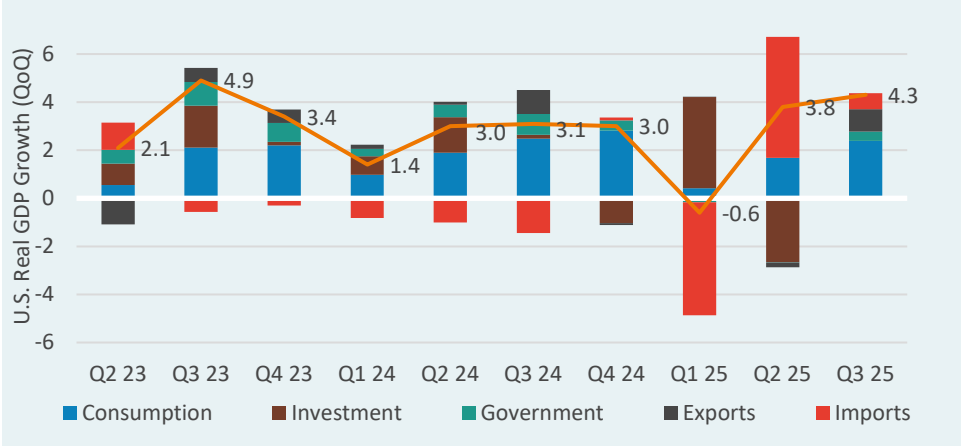
The economy grew at an impressive 4.3% annualized rate during Q3, and this is expected to continue in Q4

U.S. GDP GROWTH



Source: FRED, as of 9/30/25

U.S. REAL GDP COMPONENTS (QOQ)



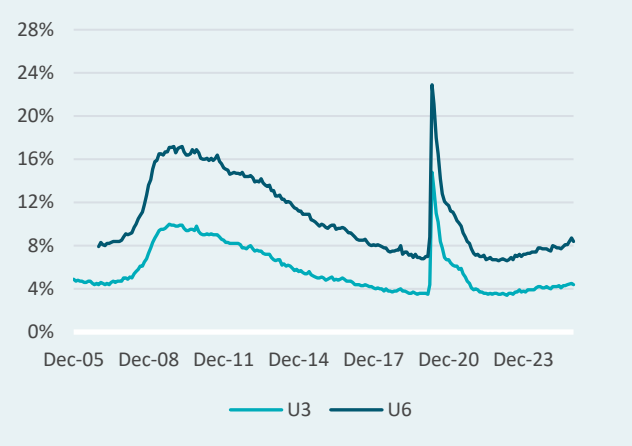
Source: FRED, as of 9/30/25

Labor market

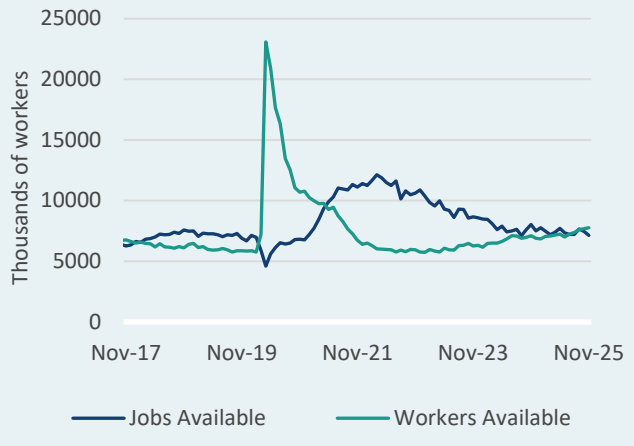
Unemployment increased during the quarter from 4.4% to 4.5% but fell back to 4.4% in December. Job growth has continued to be slow but does not appear to be moving towards net job loss, which historically has been a flashing signal of recession. It is worth noting that most job creation this past year has been in the healthcare sector. If this sector were excluded, job growth would have effectively been zero. Despite new hiring activity suggesting a sour labor market, layoffs remain very low relative to history. Some investors recently have described the labor market environment as *low hires and low fires* — a description that we believe is appropriate.

Falling immigration and a growing economy might imply a lower unemployment rate in 2026, but the year may be more complicated than that. Unemployment is based on the number of people in *on the books* jobs relative to the number of people in the workforce (which excludes people who would be able to work but who are not looking for work). It seems likely the number of people working in fully *on the books* jobs will increase as the economy grows, and perhaps a small amount of onshoring occurs. However, one of the results of economic expansion is likely to be that more and more previously discouraged workers come back into the workforce — this increases the number of available workers in the labor force, which raises the unemployment rate all else equal. Therefore, we may well see either a flat or slightly increasing unemployment rate over the year, despite good economic growth.

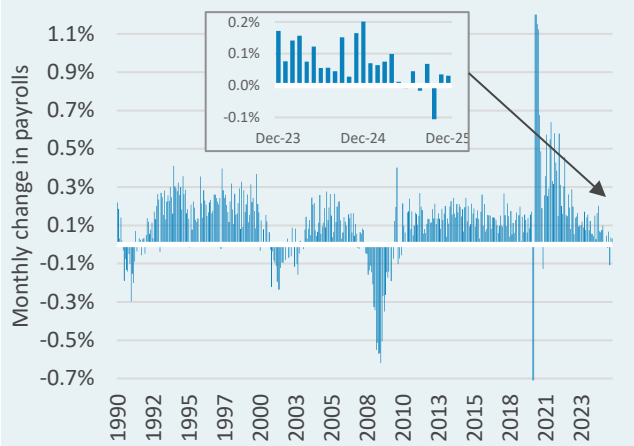
U.S. UNEMPLOYMENT



JOBS AVAILABLE VS WORKERS AVAILABLE



JOB GROWTH



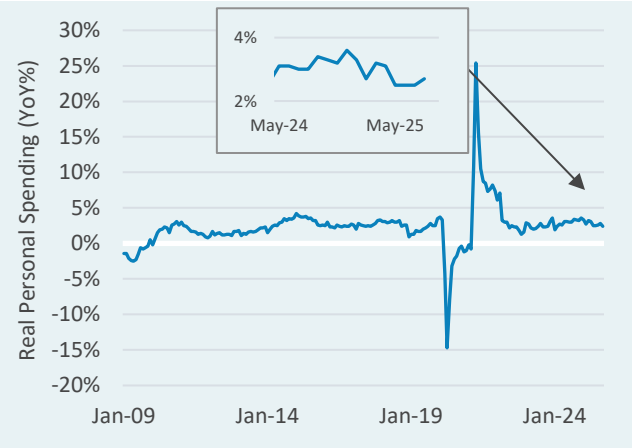
The consumer

Retail sales growth was strong—fueled by impressive holiday shopping trends and auto sales. Broader personal spending data releases have been significantly delayed due to the government shutdown, but as of September these data also showed a relatively good inflation-adjusted growth rate of 2.4% year-over-year. Household spending overall has been robust, defying expectations for a slowdown and supporting the economy.

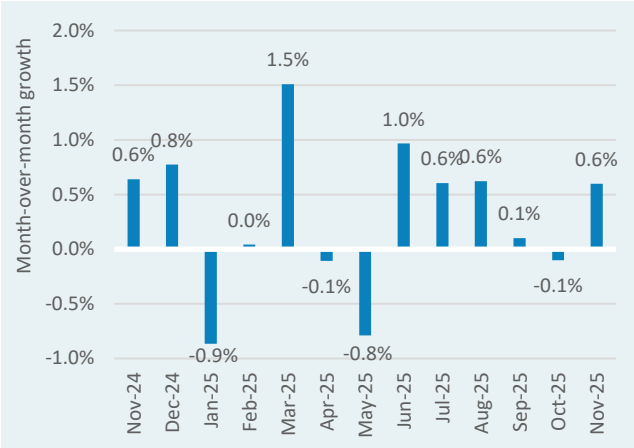
A notable contrast exists regarding sour consumer sentiment but strong household spending patterns, though this may be a feature of what has recently been referred to as a "K-shaped" spending environment. This term describes a gap between upper income households, which are spending heavily, and lower income households which are feeling pain from higher prices and housing costs, and can afford less. Substantial stock market gains and real estate appreciation in recent years have pushed up the wealth of those that own more of those assets (upper income households), while lower income households that rely primarily on wages have been squeezed by inflation and have not seen large wealth gains.

Personal savings rates dropped from a highpoint of 5.5% in April to 4.0% in September, alongside robust consumer spending. This was the lowest savings rate since 2022. While typically investors might perceive strong spending and low savings as an indication of economic strength and confidence in the future, in the current environment this may be less positive and more related to the mentioned "K-shape" effect.

REAL PERSONAL SPENDING



RETAIL SALES



PERSONAL SAVINGS RATE



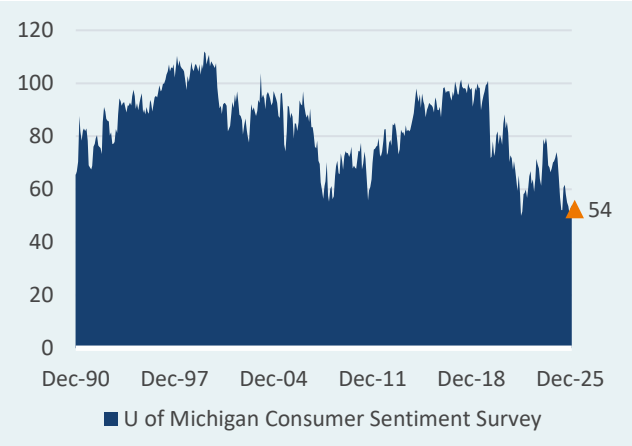
Sentiment

Poor consumer sentiment continued during Q4, with sentiment of lower income consumers beginning to rise and sentiment of higher income consumers beginning to fall, according to the University of Michigan. This coincided with a trend of greater job loss among higher educated Americans. Households expressed frustration over high prices and a softening labor market, while concerns about tariffs faded.

The Conference Board Consumer Confidence Index—another gauge of confidence—also indicated ongoing poor sentiment. Specifically, the survey reflected a sharp drop in how households feel about current business and labor market conditions, while the longer-term outlook for jobs, income, and business conditions was stable but materially below late-2025 levels.

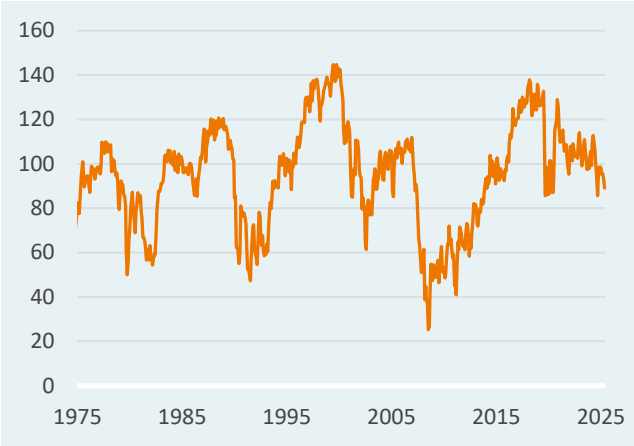
Small business sentiment in November, as indicated by the NFIB Small Business Optimism Index, was relatively stable during Q4 and slightly above the long-term average. Despite the ongoing national trend of low hiring activity, one-third of small businesses reported difficulties in finding qualified candidates to fill open positions (far above the long-term average). 'Labor quality' overtook 'inflation' as a greater business concern. A growing number of small businesses plan to create new jobs in the next three months, which was the highest reading of 2025.

CONSUMER SENTIMENT (UNIV. OF MICHIGAN)



Source: University of Michigan, as of 12/31/25

CONSUMER CONFIDENCE (CONFERENCE BOARD)



Source: Conference Board, as of 12/31/25

NFIB SMALL BUSINESS SENTIMENT



Source: NFIB, as of 12/31/25

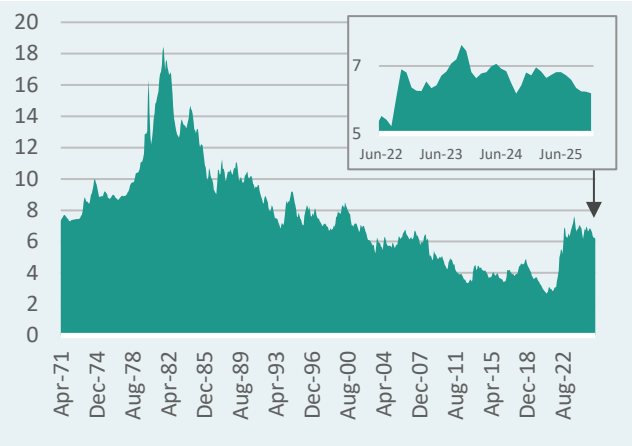
Housing

Home price appreciation slowed, up only 0.7% in November year-over-year, according to Redfin. Sales activity was reportedly down -7.0% year-over-year during this time, despite a material drop in the 30-year average fixed mortgage rate from 6.9% to 6.2%. The housing market appears to be still frozen in place, as high prices and interest rates have significantly damaged affordability, and many existing homeowners are disincentivized to sell and forego their existing low mortgage rate. On balance, there are fewer potential buyers and sellers in this environment, though sellers are greater in number. According to MLS data, in November there were 37% more sellers than buyers—a historically large mismatch.

New building permits continued to fall and are at levels not seen since 2019. Housing starts have remained stable over the past three years.

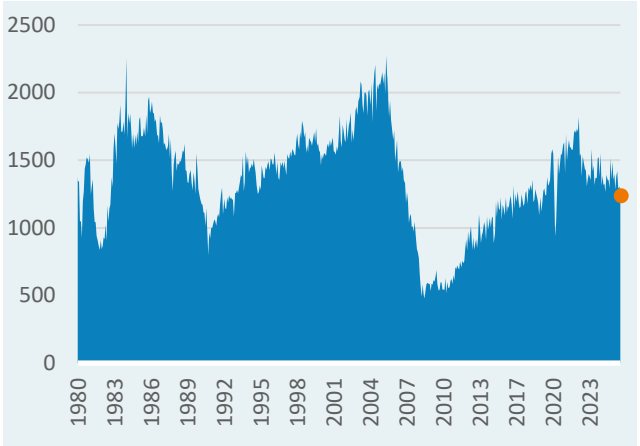
New home construction fell to the lowest level in five years in October, with larger multi-family projects experiencing the sharpest drop. This was despite mortgage rates moving lower (the 30-year average fixed mortgage reached 6.06% on January 15th). Home affordability has become a top concern in the U.S., and each political party appears to be working to make progress on this concern. During the first week of 2026, President Trump proposed a ban on institutional investor purchases of single-family homes. Shortly thereafter, the President directed Fannie Mae and Freddie Mac to purchase $200 billion in mortgage-backed securities in order to push down the spreads of these securities, with the goal of pushing down mortgage rates. We expect there to be much more discussion of these topics leading up to U.S. midterm elections.

30-YEAR MORTGAGE RATE (%)



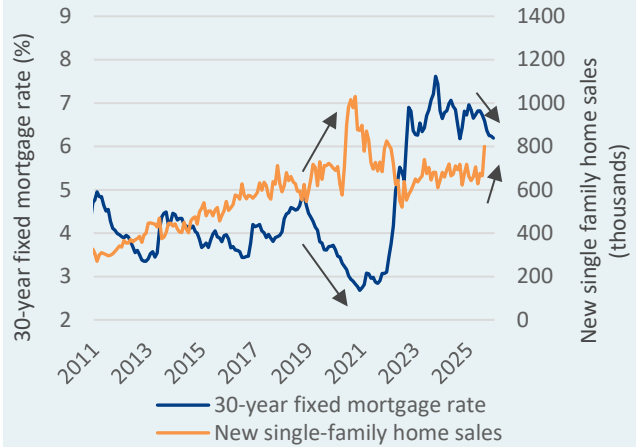
Source: Freddie Mac, as of 12/31/25

EXISTING HOME SALES



Source: FRED, as of 10/31/25

RATES DROP & NEW HOME SALES JUMP



Source: Verus, FRED, as of 11/30/25 (home sales as of 8/31/25)

International economics summary

- Eurozone GDP growth was 1.4% YoY in Q3, while Japan grew at a 0.6% rate. Canada grew at a 0.4% YoY rate in October. International economic growth, as well as growth forecasts, have generally outpaced expectations since the U.S. trade policy shift in April contributed to widespread fears of a global slowdown.
- Inflation trends have eased in many regions, which has helped to mitigate investor concerns and allowed central banks more flexibility in monetary decisions. In particular, Eurozone rate of inflation fell from 2.5% YoY at the beginning of the year to 2.0% in December, as energy price shocks faded a bit from the lookback period.
- The tariff environment showed signs of gradual easing as U.S. negotiations with key partners continued, several planned increases were deferred, and exemptions from USMCA provisions helped moderate headline tariff rates. The Supreme Court's review of the administration's IEEPA-based tariffs further introduced the possibility of reduced tariff pressures in the future. Policy and legal uncertainty remains a major global concern for investors and central banks.
- During Q4, the ECB held rates steady at 2.00% for a fourth consecutive meeting, citing inflation stabilizing near its 2% target and a resilient eurozone outlook. The central bank signaled no urgency to adjust policy further. The BOE, facing easing inflation and softer economic momentum, reduced the Bank Rate by 25 bps to 3.75% in December but emphasized that any additional cuts would be gradual and data-dependent.
- The U.S. continued negotiating efforts toward a Russia–Ukraine ceasefire, supported by major dialogues including U.S.–Ukraine consultations in Geneva and U.S.–Russia talks in Moscow. These efforts, backed by European allies, created periods of constructive engagement, though Russia maintained extensive demands. Negotiations seem to have stalled as of early January, and the conflict has re-intensified, likely reducing near-term prospects for progress.
- In early January, U.S. forces captured Venezuelan President Maduro, citing narcotics-related criminal activity, illegitimate governance, strategic interests tied to Venezuela's oil sector, and goals of destabilizing foreign influence and improving regional security. The U.S. indicated plans to guide Venezuela's political transition and support rebuilding its oil infrastructure, while issuing follow-on threats toward Colombia, Mexico, and Cuban leadership. At the same time, the U.S. administration expanded comments around the national security importance of Greenland, prompting rejection from Greenlandic and Danish leaders and a NATO response.

	GDP (Real, YoY)	Inflation (CPI, YoY)	Unemployment
United States	2.3% *9/30/2025*	2.7% *11/30/2025*	4.4% *12/31/2025*
Eurozone	1.4% *9/30/2025*	2.0% *12/31/2025*	6.3% *11/30/2025*
Japan	0.6% *9/30/2025*	2.9% *11/30/2025*	2.4% *11/30/2025*
Canada	0.4% *10/31/2025*	2.2% *11/30/2025*	6.8% *12/31/2025*
BRICS Nations	4.7% *9/30/2025*	1.0% *12/31/2025*	5.1% *12/31/2025*
Brazil	1.8% *9/30/2025*	4.3% *12/31/2025*	5.2% *11/30/2025*
Russia	0.6% *9/30/2025*	6.6% *11/30/2025*	2.1% *11/30/2025*
India	8.2% *9/30/2025*	0.7% *11/30/2025*	8.5% *12/31/2017*
China	4.8% *9/30/2025*	0.8% *12/31/2025*	5.1% *11/30/2025*

NOTE: India lacks reliable government unemployment data. Unemployment rate shown above is estimated from the Centre for Monitoring Indian Economy. The Chinese unemployment rate represents the monthly surveyed urban unemployment rate in China.

International economics

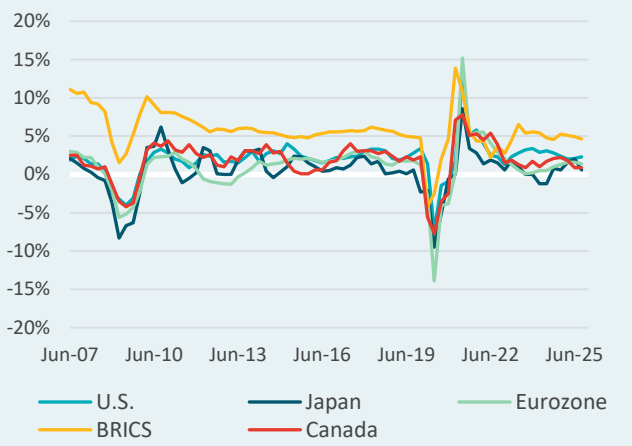
Eurozone GDP growth was 1.4% YoY in Q3, while Japan grew at a 0.6% rate and Canada at a 0.9% rate. International economic growth, as well as growth forecasts, have far outpaced expectations since the U.S. trade policy shift in April contributed to widespread fears of a global slowdown. Inflation trends have eased in many regions, which has helped to ease investor concerns and allowed central banks far more flexibility in monetary decisions. In particular, the Eurozone rate of inflation fell from 2.5% YoY in January to 2.0% in December, as energy price shocks faded a bit from the lookback period.

A wide set of trade news has continued to affect market pricing, though late 2025 was characterized by broad de-escalations. This included a China trade truce, partner exemptions and trade frameworks (autos, energy, timber), and pauses on escalations. This helped drive tariff collection rates far below April's headline peaks (the effective average U.S. tariff rate stabilized around 10-17% by late year). Although the situation is fluid and changing quickly, here we mention a few notable developments of recent months.

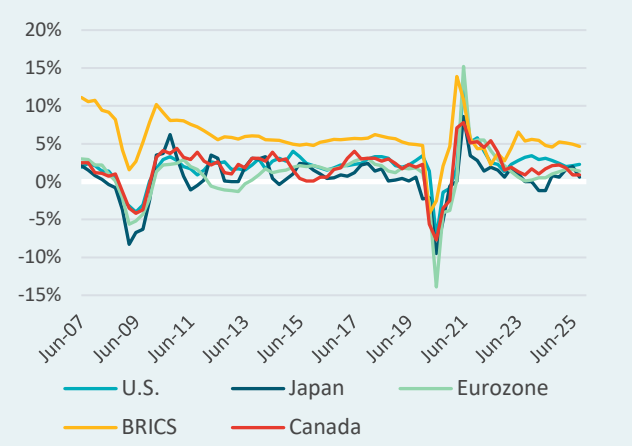
In September 2025, the U.S. announced tariffs on timber/lumber and furniture, which took effect in October for most, with escalations planned for January 2026. The U.S. threatened additional tariffs on pharmaceuticals and heavy trucks and followed with October threats to increase tariffs on Chinese rare earth issues.

In November 2025, a major U.S.-China deal reduced fentanyl-related tariffs on Chinese goods from 20% to 10% (effective November 10), extended the pause on heightened reciprocal tariffs through November 2026, and secured Chinese concessions on rare earth export controls, retaliatory tariffs (ex: U.S. agriculture), and resumed purchases of soybeans/sorghum. Frameworks with partners including Argentina, Ecuador, El Salvador, Guatemala, and Switzerland expanded exemptions for agricultural goods (beef, coffee, fruit), textiles, and critical minerals. In December 2025, an agreement delayed the scheduled tariff hikes on furniture, cabinets, and vanities for another year (to 2027), maintaining 25% rates during negotiations.

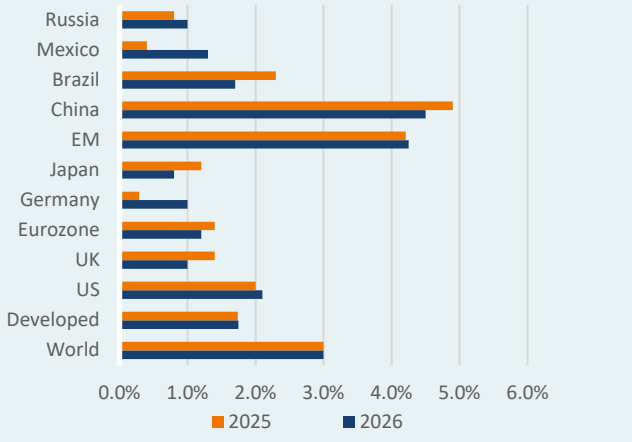
INFLATION (CPI YEAR-OVER-YEAR)



REAL GDP GROWTH (YEAR-OVER-YEAR)



GDP GROWTH EXPECTATIONS



Fixed income rates & credit

Fixed income environment

— Riskier fixed income delivered stronger returns during Q4 and also during the full year, while higher-quality exposures produced slightly positive returns during Q4 and mid single digit returns over the year. Slightly lower long-term bond yields boosted the returns of duration assets, while stable spreads and mild credit default activity allowed investors to capture credit spreads of riskier assets such as high yield and bank loans.

— The 10-year U.S. Treasury yield ended Q4 unchanged at 4.16%, fluctuating in a tight range as investors tried to work out the balance of labor market weakness, inflation pressures, the trajectory of the economy, and how those dynamics will affect the Fed's rate path. Additionally, the government shutdown caused extended delays in the release of key economic data which has further clouded the picture.

— The Federal Reserve cut rates once in October and again in December, bringing the target range to 3.50%-3.75%. The FOMC appears to have shifted into an easing and liquidity-supporting stance with these cuts and public comments, which came alongside the announcement that the Fed balance sheet runoff would end, and T-bill purchases would resume.

— Market inflation fears appear to have eased during the quarter, as the 10-year TIPS Breakeven Rate fell from 2.36% to 2.25%.

— The U.S. yield curve showed further normalization, exhibiting the steepest shape since early 2022. The 10-year Treasury minus 2-year Treasury yield was 0.71% as of December 31st, as short-term rates fell with Fed rate cuts and longer-term yields were stable.

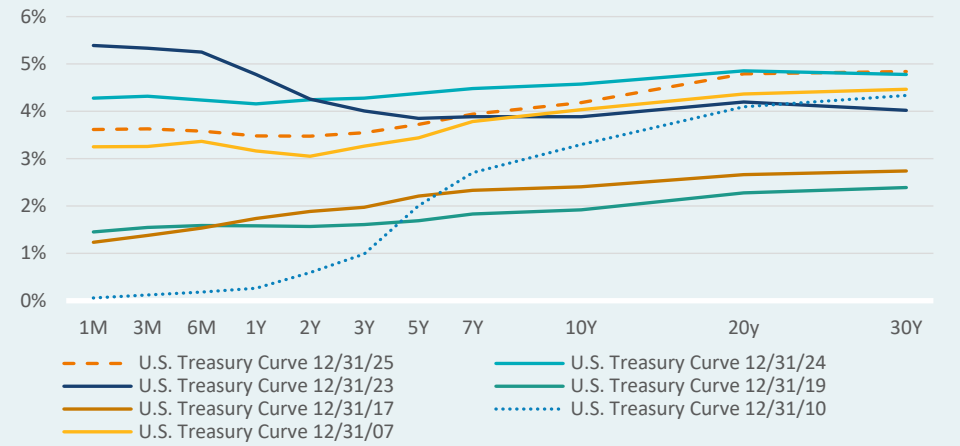
— High yield bond default activity rose slightly to 1.9% YoY, below the 15-year average of 2.5%. Loan default rates fell to 2.9% YoY, slightly above the 15-year average of 2.4%. Following the First Brands and Tricolor defaults in late 2025 which created a market-wide credit scare, recent evidence seems to suggest that these were isolated incidents of fraud rather than indicative of broader underlying systemic issues.

	QTD Total Return	1 Year Total Return
Core Fixed Income (Bloomberg U.S. Aggregate)	1.1%	7.3%
Core Plus Fixed Income (Bloomberg U.S. Universal)	1.2%	7.6%
U.S. Treasuries (Bloomberg U.S. Treasury)	0.9%	6.3%
U.S. Treasuries: Long (Bloomberg U.S. Treasury 20+)	-0.5%	4.6%
U.S. High Yield (Bloomberg U.S. Corporate HY)	1.3%	8.6%
Bank Loans (Morningstar LSTA Leveraged Loan)	1.2%	5.9%
Emerging Market Debt Local (JPM GBI-EM Global Diversified)	3.3%	19.3%
Emerging Market Debt Hard (JPM EMBI Global Diversified)	3.3%	14.3%
Mortgage-Backed Securities (Bloomberg MBS)	1.7%	8.6%

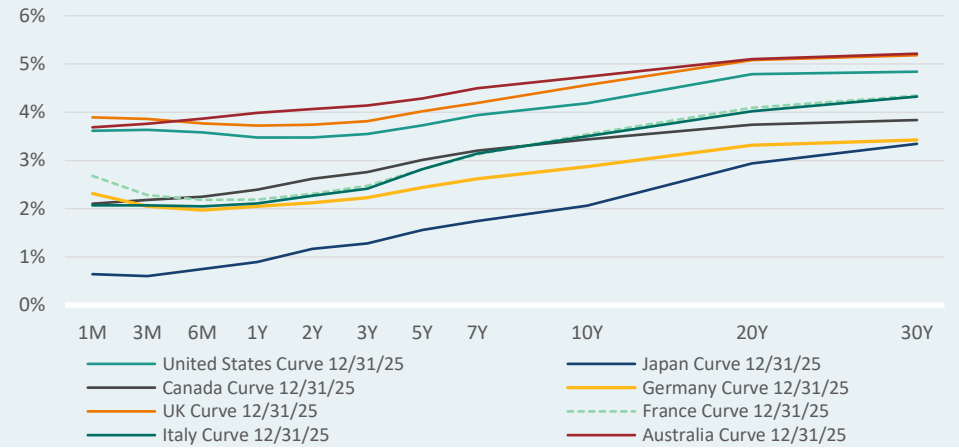
Source: Standard & Poor's, J.P. Morgan, Bloomberg, as of 12/31/25

Yield environment

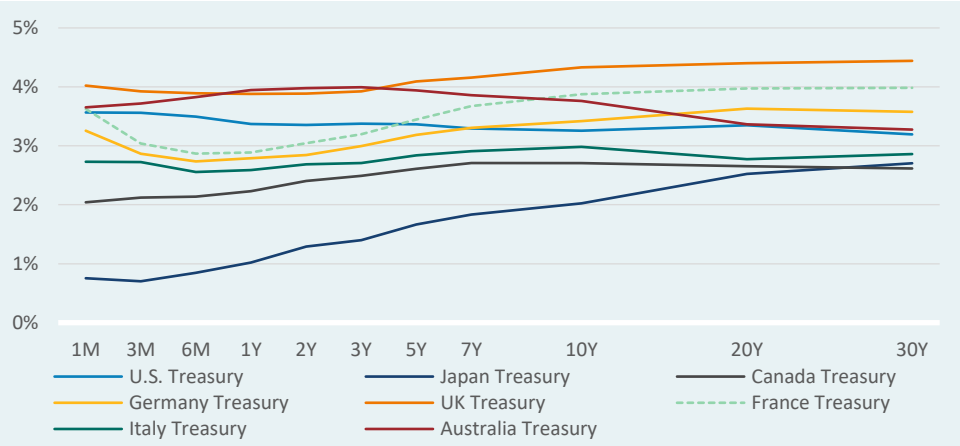
U.S. YIELD CURVE



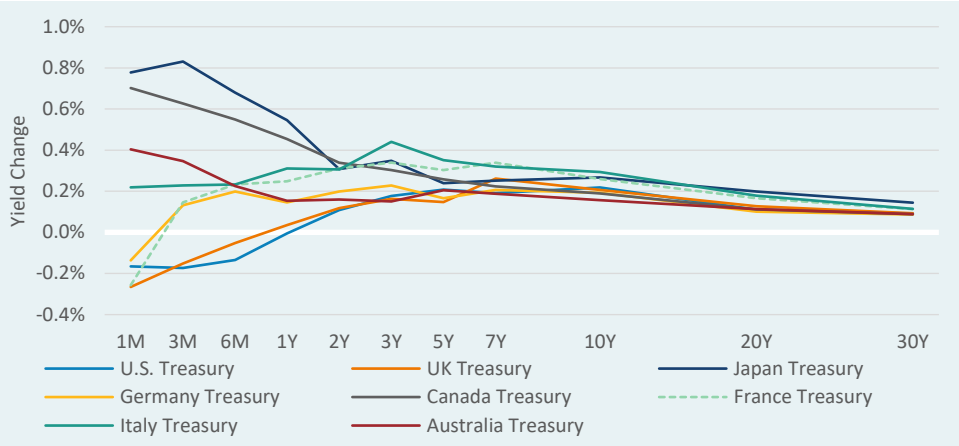
GLOBAL GOVERNMENT YIELD CURVES



YIELD CURVE CHANGES OVER LAST FIVE YEARS



IMPLIED CHANGES OVER NEXT YEAR



Source: Bloomberg, as of 12/31/25

Credit environment

During Q3, credit delivered positive returns alongside strong investor sentiment and demand for yield. Bank loans and high yield returned +1.3% and +1.2%, respectively (Bbg U.S. Corporate High Yield, Morningstar LSTA Leveraged Loan). High yield outpaced bank loans over the full year (+8.6% vs. +5.9%) as the Federal Reserve cut rates and longer bond yields moved mildly lower which supported longer-duration assets.

Within the high yield space, lower quality credits underperformed BB- and B-rated names during October and November, representing the first negative monthly returns since April. However, positive momentum in December led to a slight recovery in CCC rate bonds (+0.6% during Q4), though this segment still lagged BB- and B-rated bonds (+1.7% and +1.8%, respectively). In 2025, BB rated bonds returned +9.4%, while B rated returned +8.9% and CCC returned +8.1%.

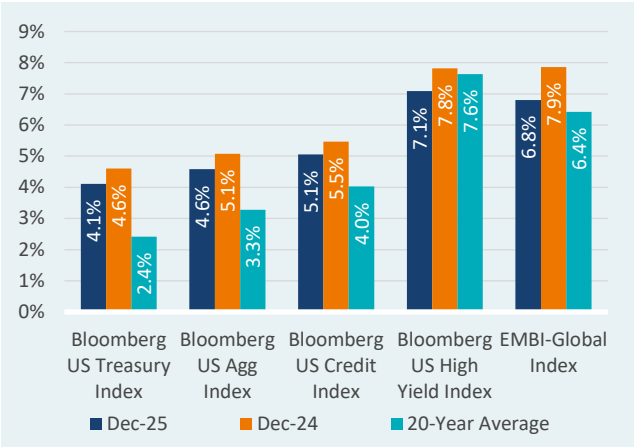
High yield bond spreads ended the quarter unchanged at 2.7%, though spreads widened to as much as 3.2% intra-quarter. Investment grade spreads rose slightly to 0.8%. Bank loan spreads initially widened closer to 4.5% but ended the quarter at similar levels to Q3 at 4.3%. While major concerns circulated during 2025 around tariffs and broad policy impacts on U.S. corporations and consumers, markets now appear to have returned to a level of optimism in line with past years.

SPREADS



Source: Barclays, Bloomberg, as of 12/31/25

YIELD TO MATURITY



Source: Morningstar, as of 12/31/25

CREDIT SPREAD (OAS)

Market	12/31/2025	12/31/2024
Long U.S. Corp	1.0%	1.0%
U.S. Inv Grade Corp	0.8%	0.8%
U.S. High Yield	2.7%	2.9%
U.S. Bank Loans*	4.3%	4.5%

Source: Barclays, Credit Suisse, Bloomberg, as of 12/31/25

**Discount margin (4-year life)*

Default & issuance

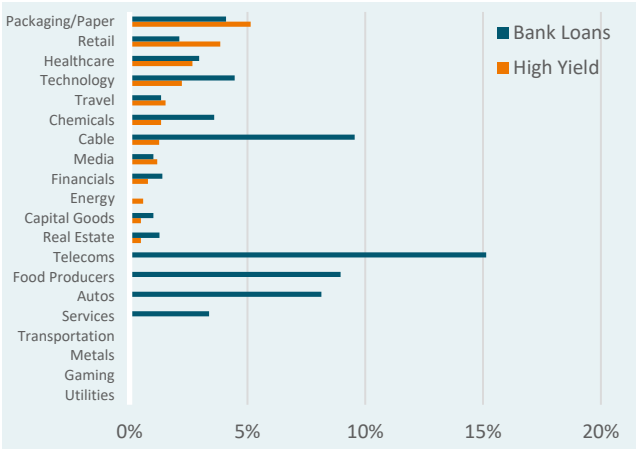
Default/distressed activity was higher during Q4, with defaulted payments totaling $11.8 billion. The level of distressed exchange and LME (liability management exercise) activity was similar in size to defaults, totaling $11.2 billion, which was a notable increase from prior quarters. December marked a 6-month high for distressed/LME volume and was the third time since 2022 that high yield bond volume outpaced loan volume. However, credit markets continue to exhibit relatively muted default and distressed activity.

High yield bond defaults rose to 1.9% YoY, which was 0.4% higher than 2024 activity levels, though still below the 15-year average of 2.5%. Loan default rates fell to 2.9% YoY, representing 1.7% less than the four year high that occurred in January. While lower, this figure was still above the 15-year average of 2.4%.

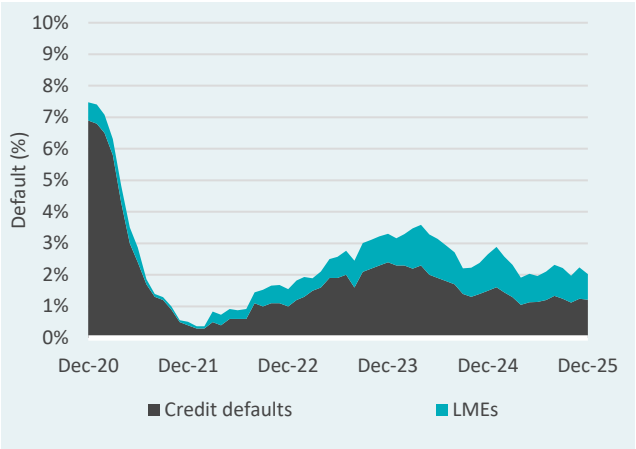
During 2025, 30 companies defaulted on obligations, totaling $35 billion, with bonds representing 39% of this total and loans representing 61%. Additionally, 30 companies completed a distressed exchange, totaling $32.8 billion, with bonds representing 37% of the total and loans representing 63%. The combined total of 60 defaults/LMEs in 2025 represented a -19% and -21% decrease from 2024 and 2023, respectively. However, default activity in 2025 was primarily characterized by short periods of elevated activity followed by periods of minimal stressed actions, rather than a consistent flow of activity. Following the First Brands and Tricolor defaults in late 2025 which created a market-wide credit scare, recent evidence seems to suggest that these were isolated incidents of fraud rather than indicative of broader underlying systemic issues.

Gross high yield issuance in 2025 reached a four-year high of $332 billion, up 15% YoY. Bank loan issuance was slightly lower than 2024 but still exhibited one of the largest volumes of the past decade.

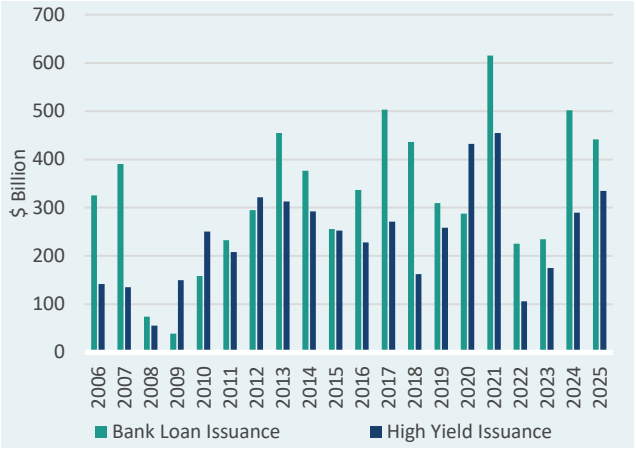
PAST 12 MONTHS (PAR DEFAULT RATE)



U.S. HIGH YIELD: DEFAULTS + LME (PAST YEAR)



DEVELOPED MARKET USD ISSUANCE



Equity

Equity environment

— International developed equity (MSCI EAFE +4.9%) and emerging market equities (MSCI EM +4.7%) led during Q4, while domestic equities lagged S&P 500 (+2.7%). Domestic equities also lagged over full year 2025, although most of the performance difference was due to foreign currency volatility.

— Fourth quarter YoY earnings growth of the S&P 500 is expected to be +8.3%, according to FactSet, as of January 9th. Information technology stocks fueled the largest upside surprise and were the largest contributor to calendar year 2026 upward earnings adjustments. Earnings growth expectations for calendar year 2026 are +14.9%, and then +14.9% again in 2027. These forecasts are higher than they were before April's tariff announcements.

— Business investment in artificial intelligence including software, services, and infrastructure, may have summed to $1.5 trillion in 2025, according to Reuters. Total spending may surpass $2 trillion in 2026.

— Chinese equities had begun to rebound during 2025, after substantial underperformance. However, this market began to suffer in Q4, down -7.5% (MSCI China) while emerging market ex-China gained +10.0% (MSCI EM ex-China). It is unclear whether the country can mitigate deep structural problems, including property market weakness, population decline, and deflationary trends exacerbated by massive excess industrial capacity.

— Market-priced volatility ended Q4 at a very low level of 14%, but exhibited spikes throughout as the U.S. government shutdown shook markets on multiple days, along with tariff surprises.

	QTD TOTAL RETURN		1 YEAR TOTAL RETURN	
	(unhedged)	(hedged)	(unhedged)	(hedged)
U.S. Large Cap (S&P 500)	2.7%		17.9%	
U.S. Small Cap (Russell 2000)	2.2%		12.8%	
U.S. Equity (Russell 3000)	2.4%		17.1%	
U.S. Large Value (Russell 1000 Value)	3.8%		15.9%	
U.S. Large Growth (Russell 1000 Growth)	1.1%		18.6%	
Global Equity (MSCI ACWI)	3.3%	3.7%	22.3%	20.3%
International Large (MSCI EAFE)	4.9%	6.7%	31.2%	23.1%
Eurozone (EURO STOXX 50)	5.0%	5.6%	37.5%	23.4%
U.K. (FTSE 100)	6.8%	6.8%	35.1%	25.6%
Japan (TOPIX)	2.8%	9.7%	27.7%	31.7%
Canada (S&P/TSX)	7.1%	6.1%	34.5%	30.4%
Emerging Markets (MSCI Emerging Markets)	4.7%	5.7%	33.6%	31.5%

Source: Standard & Poor's, FTSE, MSCI, STOXX, JPX, as of 12/31/25 – performance quoted from perspective of U.S. dollar investor

Domestic equity

U.S. equities generated a moderate return of +2.7% (S&P 500) during Q4, continuing a steady march upward alongside surprisingly strong U.S. economic news and positive corporate earnings guidance. Concerns grew amongst investors that U.S. large cap equity indexes have become even more concentrated in AI-related businesses and reliant on AI trends.

Year-over-year Q4 earnings growth of the S&P 500 is expected to be +8.3%, according to FactSet, as of January 9th. Information technology stocks fueled by far the largest upside surprise to quarterly earnings and were the largest contributor to calendar year 2026 upward earnings adjustments. At the industry level, semiconductors, semiconductor equipment, and software businesses were the largest contributors to positive earnings surprise. The fourth quarter would mark the tenth consecutive positive growth quarter for the index. Earnings growth expectations for calendar year 2026 are +14.9% and then +14.9% again in 2027. These forecasts are higher than they were before April's tariff announcements.

Domestic equity fundamentals have been consistently outperforming. If this trend continues, indices could move higher despite lofty valuations.

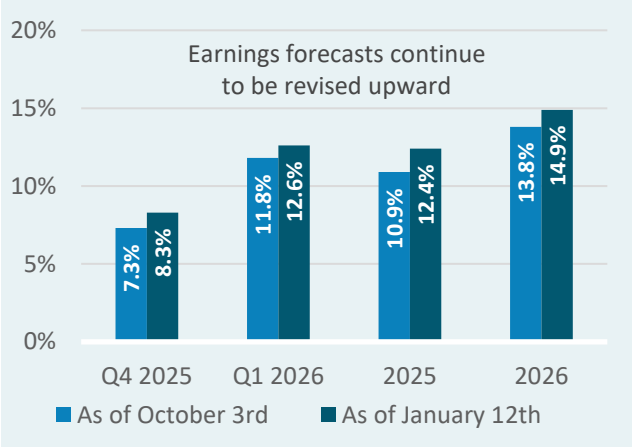
S&P 500 PRICE INDEX



S&P 500 DIVIDEND YIELD



S&P 500 EARNINGS FORECASTS (YOY)

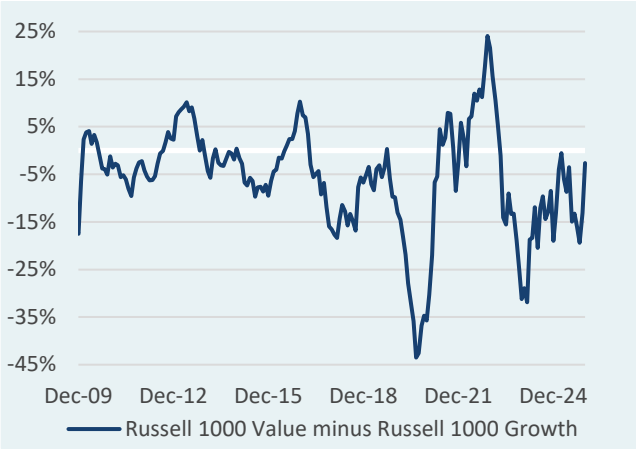


Domestic equity size & style

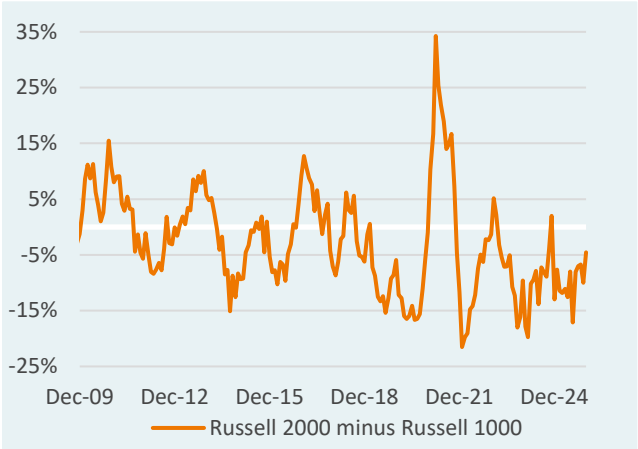
Small cap equities underperformed large caps during Q4 (FTSE Russell 2000 +2.2% vs. FTSE Russell 1000 +2.4%) and also lagged over the full year (+12.8% vs. +17.4%). Many investors predicted that Federal Reserve rate cuts could ignite a small cap comeback, but that has failed to materialize. Value stocks outperformed growth during the quarter (Russell 1000 Value +3.8% vs. Russell 1000 Growth +1.1%) but also lagged over the full year (+15.9% vs 18.6%) as artificial intelligence trends have pushed high-growth names further upward.

Attempting to make positioning bets or tilts into certain U.S. style factors has been incredibly difficult in this environment (though this is a tenuous proposition in most environments). The market leadership of the Magnificent 7 stocks, and now the substantial AI-related rally, create a situation where investors likely must bet against these major trends to tactically lean into value or small caps. As we have expressed in this document for many years, we believe style factor positions should be longer-term in nature, with the exception of rare timing opportunities that come along only once in a while.

VALUE VS. GROWTH 1-YR ROLLING RELATIVE PERFORMANCE



SMALL VS. LARGE 1-YR ROLLING RELATIVE PERFORMANCE



1-YEAR SIZE & STYLE PERFORMANCE

	Value	Core	Growth
Large Cap	15.9%	17.4%	18.6%
Mid Cap	11.0%	10.6%	8.7%
Small Cap	12.6%	12.8%	13.0%

International developed equity

International developed equity (MSCI EAFE +4.9%) and emerging market equities (MSCI EM +4.7%) led during Q4, while domestic equities lagged (S&P 500 +2.7%).

Regional developed equity performance was generally strong across the board. European equities outperformed (MSCI UK +7.0%, MSCI Euro +5.2%) while Japan showed a mild positive return (MSCI Japan +3.2%). Non-U.S. equities substantially outpaced the U.S. equity market in 2025, although a large portion of this outperformance was due to foreign currency movement (depreciation of the U.S. dollar). It will be important to monitor these dynamics in 2026, though we would be surprised to see material dollar weakening if U.S. economic exceptionalism persists.

The continuation of AI growth trends would likely benefit the United States and China in outsized ways, as these countries lead the world in innovation across these areas and stand to benefit the most. Europe in particular has lacked a start-up culture as well as a robust venture capital market, therefore benefiting from less business creation. In short, sustained European performance may remain challenging unless valuations continue to expand.

INTERNATIONAL DEVELOPED EQUITY



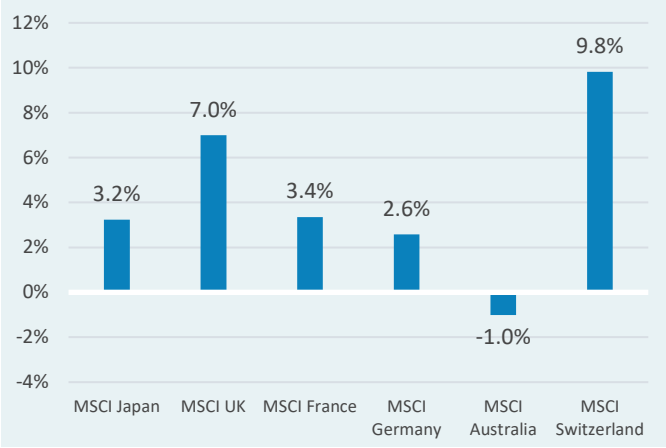
Source: MSCI, as of 12/31/25

CUMULATIVE PERFORMANCE (10 YEARS)



Source: Verus, as of 12/31/25

REGIONAL RETURNS (QUARTER-TO-DATE)



Source: MSCI Indices, as of 12/31/25

Emerging market equity

Emerging market equities delivered strong performance during Q4 (MSCI EM +4.7%), resulting in a robust +33.6% return for 2025 which was nearly double the return of the domestic market (S&P 500 +17.9%).

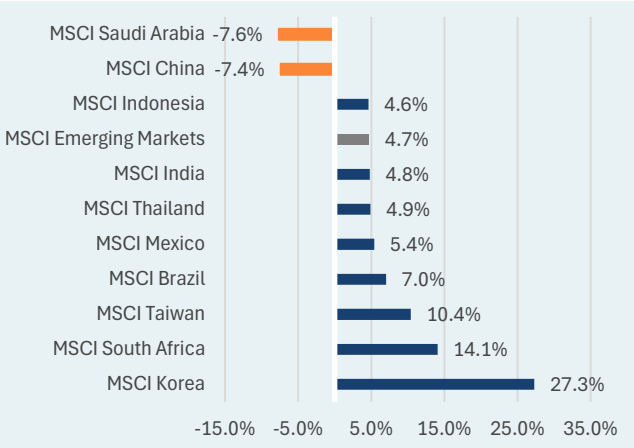
Latin American equities delivered an incredible +54.8% during the year, fueled by the Mexican market. This compared to +32.1% from Asia. Despite longer-term underperformance, Chinese equities had been roaring back to life recently. However, this market began to suffer in Q4, down -7.5% while emerging market ex-China was up +10%.

It remains unclear whether China can mitigate the various structural problems hanging overhead, including widespread property market weakness, population decline, and a deflation problem which is being exacerbated by massive excess industrial capacity and overproduction which has flooded many markets and pushed down prices domestically and abroad. It appears that China's reported real GDP growth is moderating in the 4% range, which would be a pace not experienced since the 1980s.

EMERGING MARKET EQUITY



MSCI EM 2025 Q4 COUNTRY RETURNS (USD)



CHINA RECOVERY

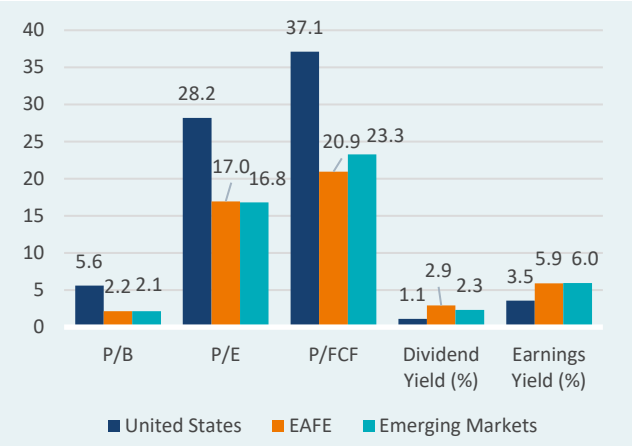


Equity valuations

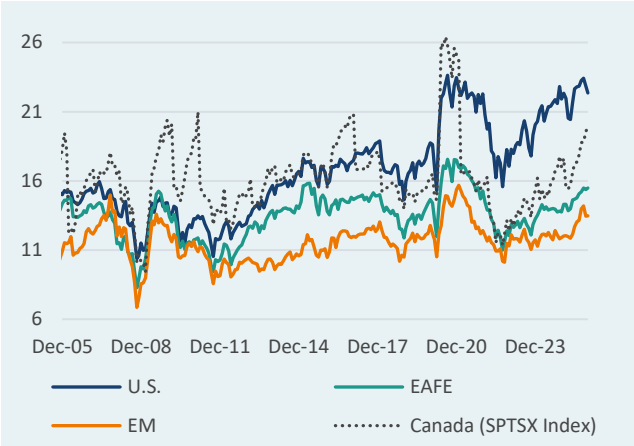
U.S. equity P/E multiples moved further upwards during Q4, on positive earnings surprise and likely on enthusiasm that some headwinds of 2025 are easing. Tariff-fueled inflation increases have been far more tepid than initially feared, international trade has fared well despite new trade barriers, and U.S. economic growth has shown surprising strength.

When discussing domestic valuations, it is reasonable to ask how much of a market loss would be incurred if valuations came back to longer-term average levels (and that would in fact be a large loss). However, current valuations are partly a product of evolving index sector composition (high growth tech-focused businesses tend to command higher multiples). Additionally, A.I. investments and innovation may unlock significant future productivity gains, and earnings forecasts for future years remain very strong. In other words, history may not provide a perfect guide to future performance. For example, it is possible that strong market performance continues if earnings forecasts are further guided upward, the "Magnificent 7" stocks show consistent strong earnings momentum, and the AI narrative remains alive and well. But in a situation where 2026 gains are once again large, and that is driven mostly by higher valuations, we believe investors may be well-served by reevaluating their risk stance.

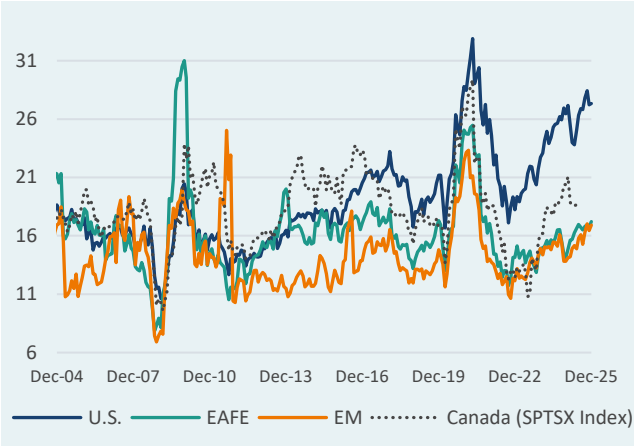
MSCI VALUATION METRICS (3-MONTH AVG)



FORWARD P/E



TRAILING P/E



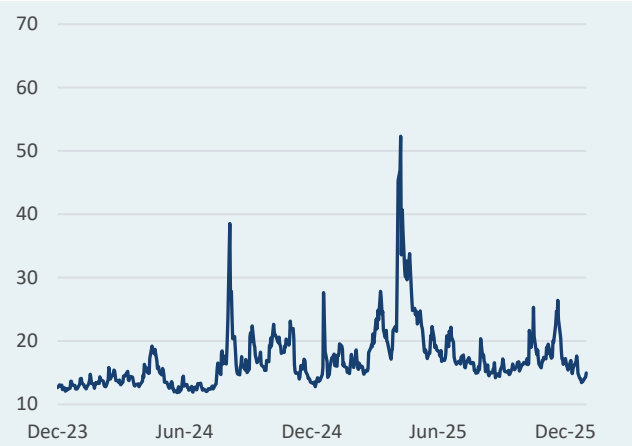
Market volatility

Market-priced volatility (Cboe VIX Index) ended the quarter at a very low level of 14%, but exhibited spikes throughout as the U.S. government shutdown shook markets on multiple days, along with tariff surprises.

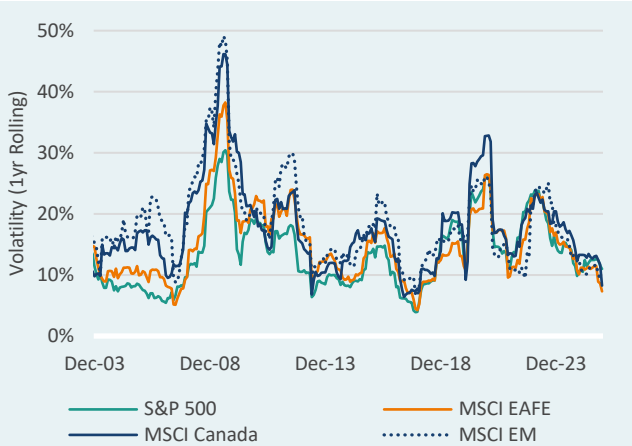
Volatility gauges of fixed income volatility, such as the "MOVE Index" have been slowly declining to historical levels in recent years, alongside easing inflation uncertainty and therefore better clarity regarding future Federal Reserve actions. This indicator is now within a normal range and may see further easing if the impacts of tariffs on the economy become better known (specifically, if it becomes clear that tariffs will not in fact lead to an inflationary spiral or immediate recession).

Despite what felt like a fairly volatile year for a variety of reasons, the past 12-month volatility of most equity regions was very low—at at 11% volatility level for the S&P 500, 9% volatility of the MSCI Emerging Markets Index, and slightly above 7% from MSCI EAFE Index (monthly annualized volatility).

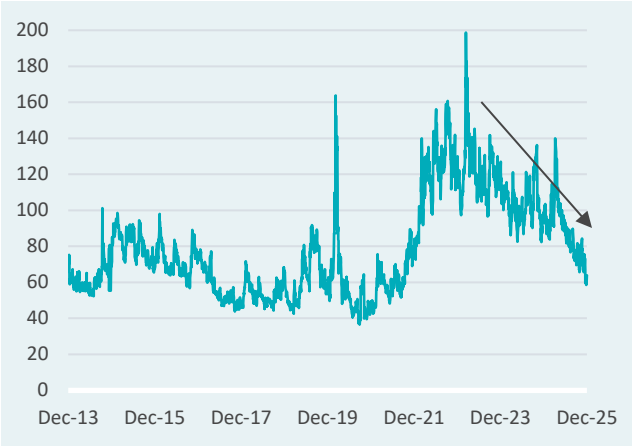
U.S. IMPLIED VOLATILITY (VIX)



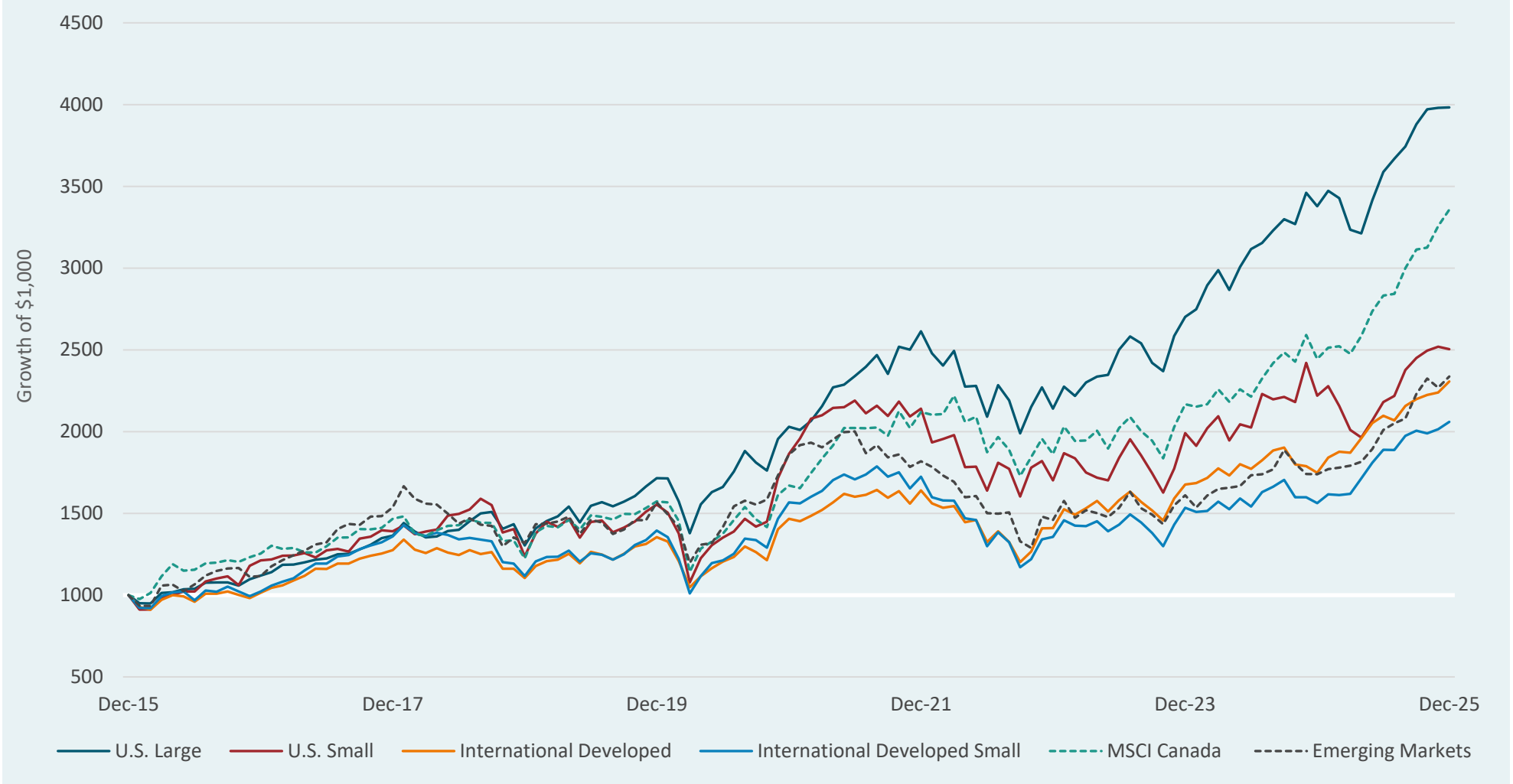
REALIZED VOLATILITY



U.S. TREASURY IMPLIED VOL ("MOVE" INDEX)



Long-term equity performance



Source: Standard & Poor's, FTSE, MSCI, Verus, as of 12/31/25

Other assets

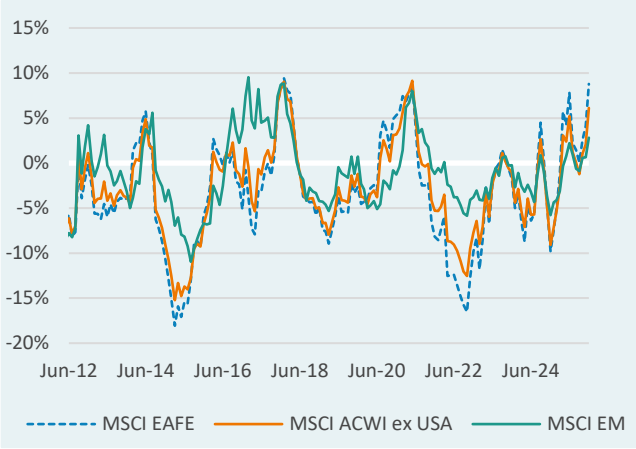
Currency

The U.S. dollar was broadly stable on a trade-weighted basis during Q4. However, certain individual currency movements such as USD vs. Japanese yen or USD vs. Euro saw notable changes that impacted the performance of investors without a currency hedging program in place. Currency movement has had frequent large impacts on the performance of equity programs. During 2025, unhedged currency resulted in a positive swing of +8.8% for U.S. investors in international developed equities and +2.8% in emerging markets.

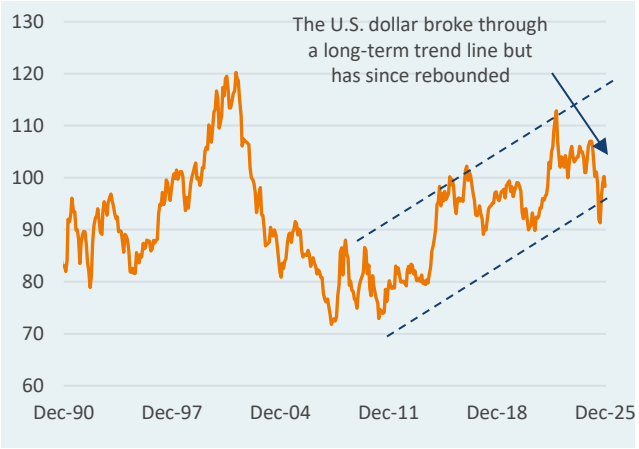
Predicting the direction of currency markets is incredibly difficult and we believe investors should generally avoid making decisions based on these views. For example, a common narrative in 2025 revolved around a worsening U.S. fiscal picture that would result in a shock to the dollar, possible due to a *return of the bond vigilantes* (bond investors who sell government bonds in protest of fiscal policies such as excessive government spending or deficits). This was referred to as the *dollar debasement* trade. Instead, the U.S. dollar is roughly unchanged in value since the time the One Big Beautiful Bill Act was passed.

A more thoughtful portfolio approach to currency exposure has provided lower portfolio volatility and higher long-term returns—a rare proposition. This approach involves reducing the uncompensated risk of unhedged foreign currency exposure, and instead of unhedged exposure, making a passive investment in the currency market by investing in currencies with higher interest rates, undervalued currencies, and currencies showing positive price momentum. This approach, represented by the MSCI Currency Factor Mix Index, has offered a positive one-year rolling return over most periods with far lower volatility than an unhedged approach, although the past year of currency volatility has resulted in an historically less common environment of Currency Factor Mix underperformance relative to embedded (unhedged) currency.

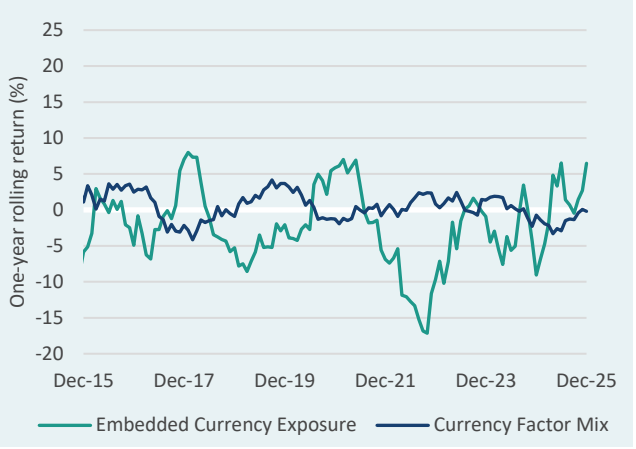
EFFECT OF CURRENCY (1-YEAR ROLLING)



U.S. DOLLAR MAJOR CURRENCY INDEX



EMBEDDED CURRENCY VS CURRENCY FACTORS

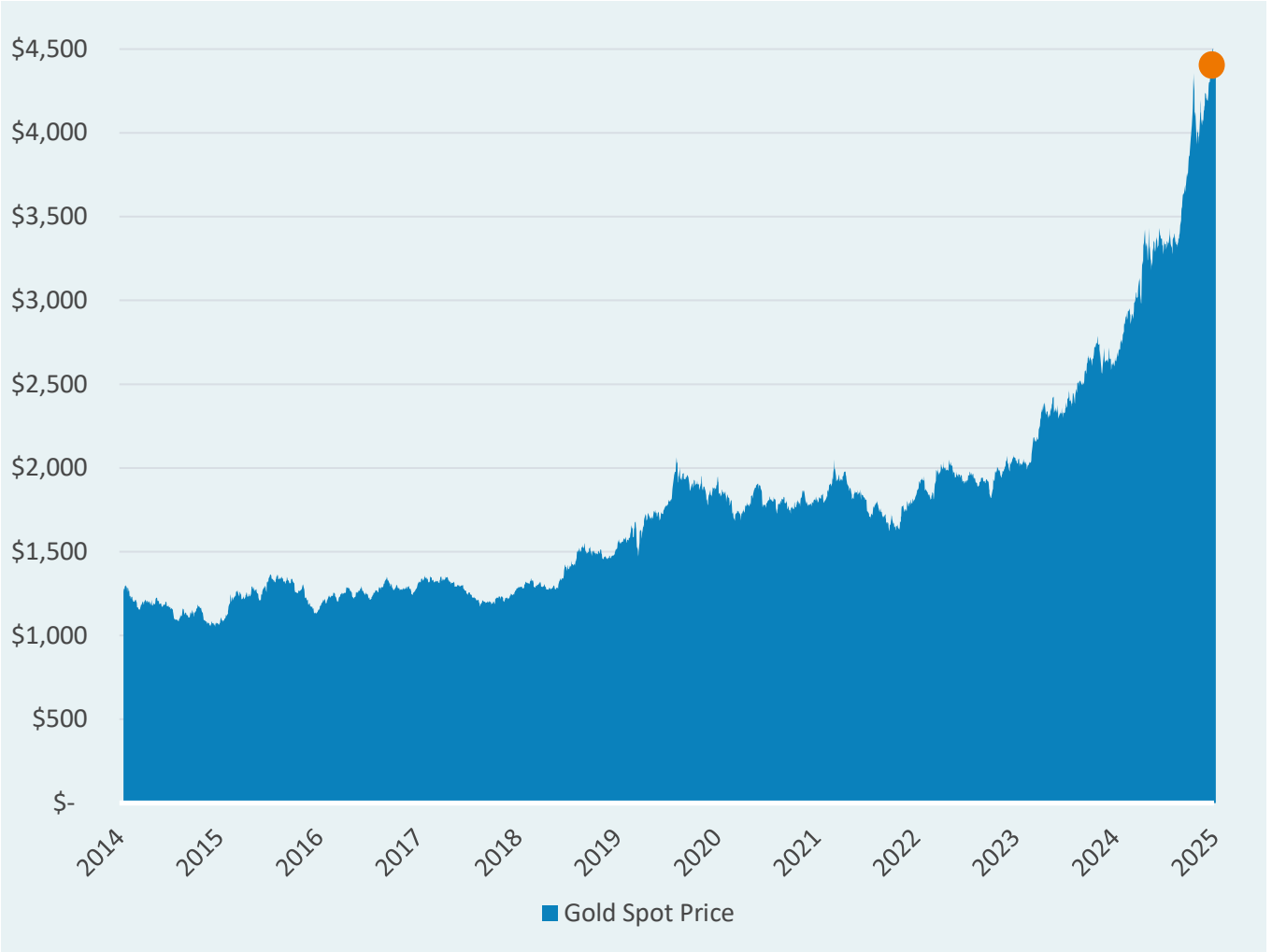


Source: MSCI, Verus, as of 12/31/25 "Embedded Currency Exposure" is the currency return impact from not hedging currency risk

The gold rally continues

The price of gold has continued to skyrocket, up a whopping +65% during 2025. A wide variety of factors can influence the price of gold, including government purchase trends, interest rate fluctuations which impact the opportunity cost of holding the metal (gold provides no yield, which means it is more costly to hold during higher interest rate environments), investor demand for safe-haven assets, and fears of inflation and/or currency debasement. This makes it especially difficult to pin down why gold has moved so dramatically in recent years.

Much of the recent commentary around gold's rally has pinned this trend on rising risks of inflation and currency debasement. We are skeptical of this story, at least in terms of describing year-to-date performance, given that inflation expectations have not moved higher during that time (neither TIPS Breakeven Rates nor 5-year 5-year forward inflation), and the U.S. dollar is slightly higher since passing of the "One Big Beautiful Bill Act" in July.



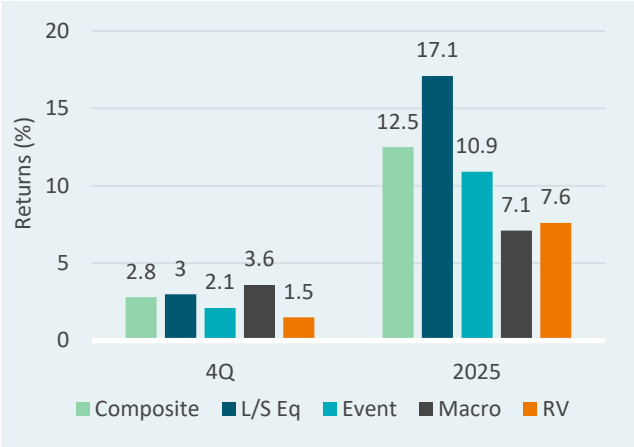
Hedge funds

Hedge funds finished 2025 up +12.5% (HFRI Composite), their highest annual return since 2009. Gains were broad based, with Long/Short Equity (+17.1%) and Event Driven (+12.5%) the top performing sectors for the year. Calendar year 2025 was the third year since 2006 in which each of the four primary sectors returned at least 7%.

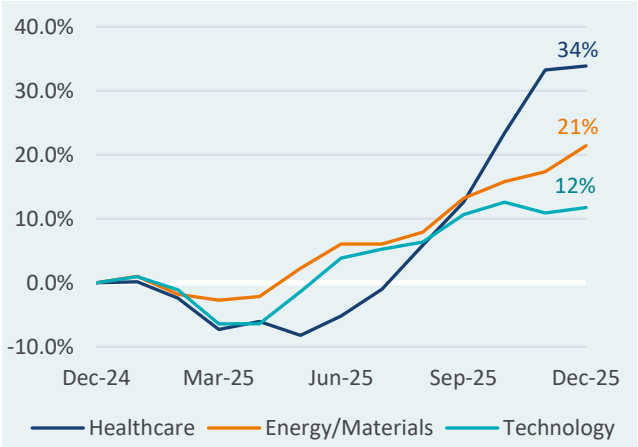
Within long/short equity, healthcare and energy/materials-focused funds outperformed the rest, including technology/TMT funds. Healthcare strategies had their all-time best year since that composite began tracking those funds (2008). Energy and materials-focused funds were able to capitalize on the meteoric rise in precious metals and industrial commodities in Q4.

After several consecutive quarters of outperformance, quant funds took a backseat to traditional fundamental growth and value strategies in the second half of 2025. Most of this reversal has been the lack of upside capture from quants while absolute returns remained steady. The four-month period of April through August—a period of significant market gains following the volatility of liberation day and tariff announcements—saw the most extreme differential between the two styles. Quants, and systematic trading in general, continues to remain susceptible to underperformance around macro-driven market events.

4Q AND 1 YEAR RETURNS FOR HFR SECTORS



LONG/SHORT SECTOR PERFORMANCE - 2025



12M RETURNS – QUANT V FUNDAMENTAL



Appendix

Periodic table of returns

BEST

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD	5-Year	10-Year
Emerging Markets Equity	34.0%	32.1%	39.4%	5.2%	78.5%	29.1%	11.0%	18.2%	43.3%	13.5%	13.3%	31.7%	37.3%	6.7%	36.4%	38.5%	28.3%	16.1%	42.7%	33.4%	33.6%	15.3%	18.1%
International Equity	23.3%	26.3%	16.2%	1.8%	37.2%	26.9%	7.8%	18.1%	38.8%	13.2%	5.7%	21.3%	30.2%	1.8%	31.4%	34.6%	27.6%	9.4%	26.5%	24.5%	31.2%	13.6%	14.6%
Large Cap Growth	13.9%	23.5%	15.8%	-6.5%	34.5%	24.5%	2.6%	17.5%	34.5%	13.0%	0.9%	17.3%	25.0%	0.0%	28.5%	21.0%	27.1%	1.5%	18.7%	15.2%	18.6%	11.3%	10.5%
Large Cap Equity	13.5%	22.2%	11.8%	-21.4%	31.8%	18.9%	1.5%	17.3%	33.5%	11.8%	0.5%	12.1%	22.2%	-1.5%	26.5%	20.0%	26.5%	-5.6%	18.2%	14.4%	17.4%	10.6%	9.6%
60/40 Global Portfolio	7.1%	18.4%	11.2%	-23.4%	28.4%	16.8%	0.4%	16.4%	33.1%	6.0%	0.0%	11.8%	21.7%	-4.0%	25.5%	18.3%	25.2%	-7.5%	16.9%	11.5%	16.7%	8.9%	9.6%
Large Cap Value	6.3%	15.5%	10.8%	-28.9%	27.2%	16.7%	0.1%	16.4%	32.5%	5.6%	-0.3%	11.3%	17.3%	-4.8%	22.4%	13.4%	17.7%	-13.0%	15.6%	9.8%	15.9%	8.9%	9.3%
Commodities	5.4%	15.2%	10.3%	-33.8%	23.5%	16.1%	-2.2%	15.3%	22.8%	4.9%	-0.8%	11.2%	14.6%	-6.1%	22.0%	10.9%	14.8%	-14.5%	14.6%	9.2%	15.8%	6.1%	8.4%
Small Cap Growth	5.3%	13.3%	7.0%	-35.6%	20.6%	15.5%	-2.9%	14.6%	12.6%	4.2%	-1.4%	7.1%	13.7%	-8.3%	18.7%	7.8%	11.3%	-14.5%	11.5%	8.1%	13.0%	5.9%	8.2%
Small Cap Equity	4.7%	11.6%	7.0%	-36.8%	19.7%	13.1%	-4.2%	11.4%	11.0%	3.4%	-2.7%	6.1%	7.8%	-9.3%	18.4%	7.5%	9.2%	-17.5%	9.8%	7.5%	12.8%	4.9%	7.5%
Small Cap Value	4.7%	9.1%	5.8%	-37.6%	18.9%	9.8%	-5.2%	10.5%	9.0%	2.7%	-3.8%	5.6%	6.8%	-11.0%	8.7%	4.6%	6.2%	-19.1%	5.5%	5.4%	12.6%	4.2%	5.7%
Hedge Funds of Funds	4.6%	8.5%	4.8%	-38.4%	11.5%	7.8%	-5.5%	4.8%	0.0%	0.0%	-4.4%	2.6%	5.1%	-11.2%	8.4%	2.8%	2.8%	-20.1%	5.1%	5.3%	9.2%	3.6%	4.7%
US Bonds	4.2%	4.8%	-0.2%	-38.5%	5.9%	6.5%	-12.1%	4.2%	-2.0%	-2.2%	-7.5%	1.0%	3.5%	-12.9%	7.7%	1.6%	0.0%	-20.4%	3.9%	3.8%	7.3%	3.2%	4.7%
Cash	3.0%	4.3%	-1.6%	-43.4%	0.1%	5.7%	-13.3%	0.1%	-2.6%	-4.9%	-14.9%	0.3%	1.7%	-13.8%	6.4%	0.5%	-1.5%	-26.4%	-5.1%	1.3%	4.3%	3.2%	2.2%
Real Estate	2.4%	2.1%	-9.8%	-53.3%	-16.8%	0.1%	-18.4%	-1.1%	-9.5%	-17.0%	-24.7%	-0.4%	0.8%	-14.6%	2.2%	-3.1%	-2.5%	-29.1%	-7.9%	0.4%	3.7%	-0.4%	2.0%

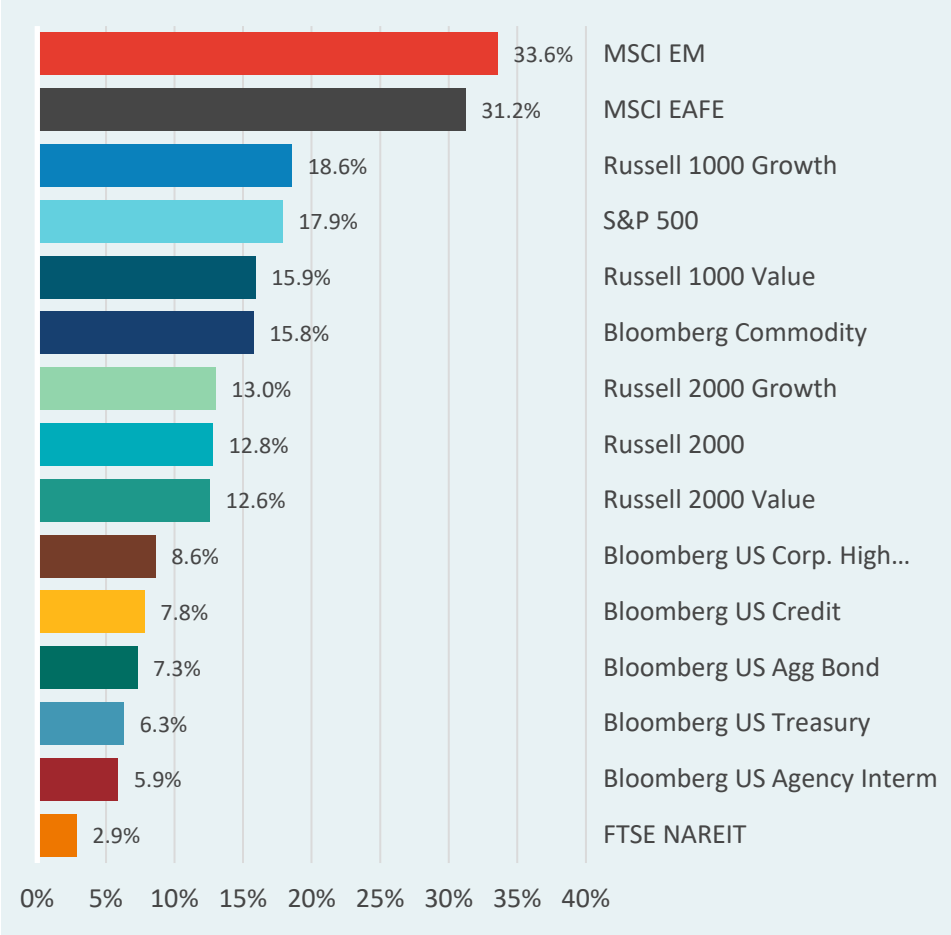
WORST

Large Cap Equity
Large Cap Value
Large Cap Growth
Small Cap Equity
Small Cap Value
Small Cap Growth
International Equity
Emerging Markets Equity
US Bonds
Cash
Commodities
Real Estate
Hedge Funds of Funds
60% MSCI ACWI/40% Bloomberg Global Bond

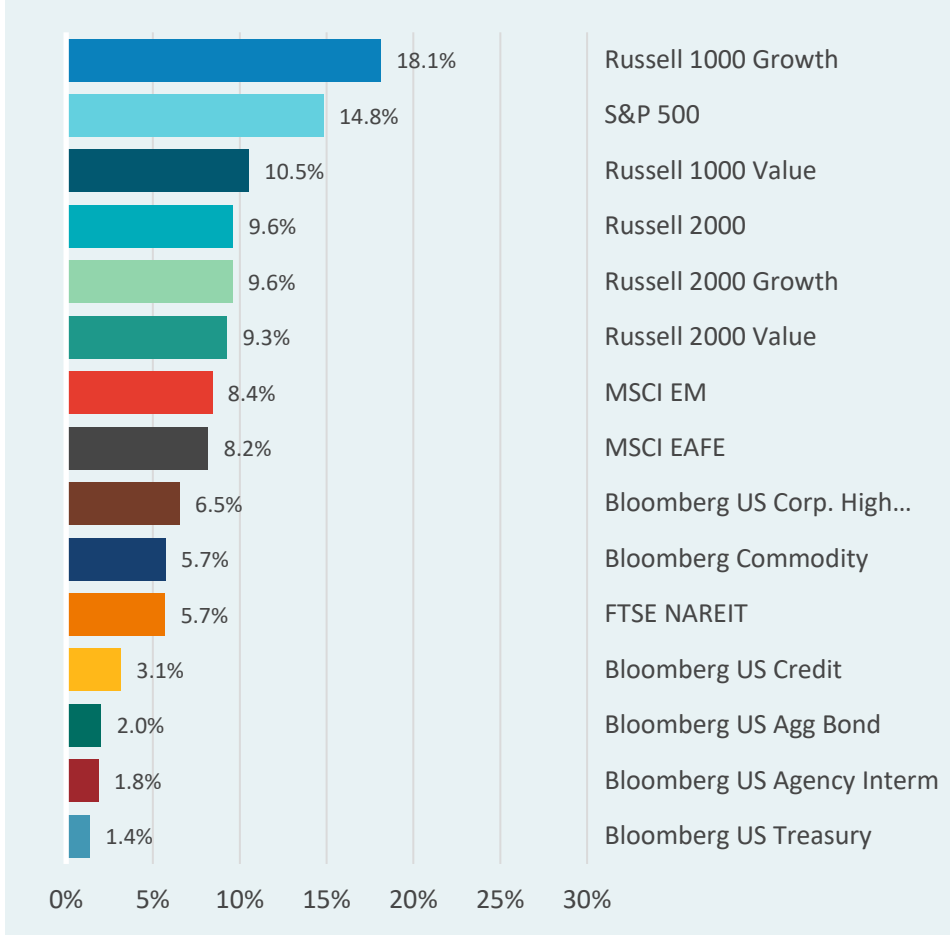
Source Data: Bloomberg, Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, Bloomberg US Aggregate, 90-Day T-Bills, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, Bloomberg Global Bond. NCREIF Property Index performance data as of 9/30/25.

Major asset class returns

ONE YEAR ENDING DECEMBER



TEN YEARS ENDING DECEMBER



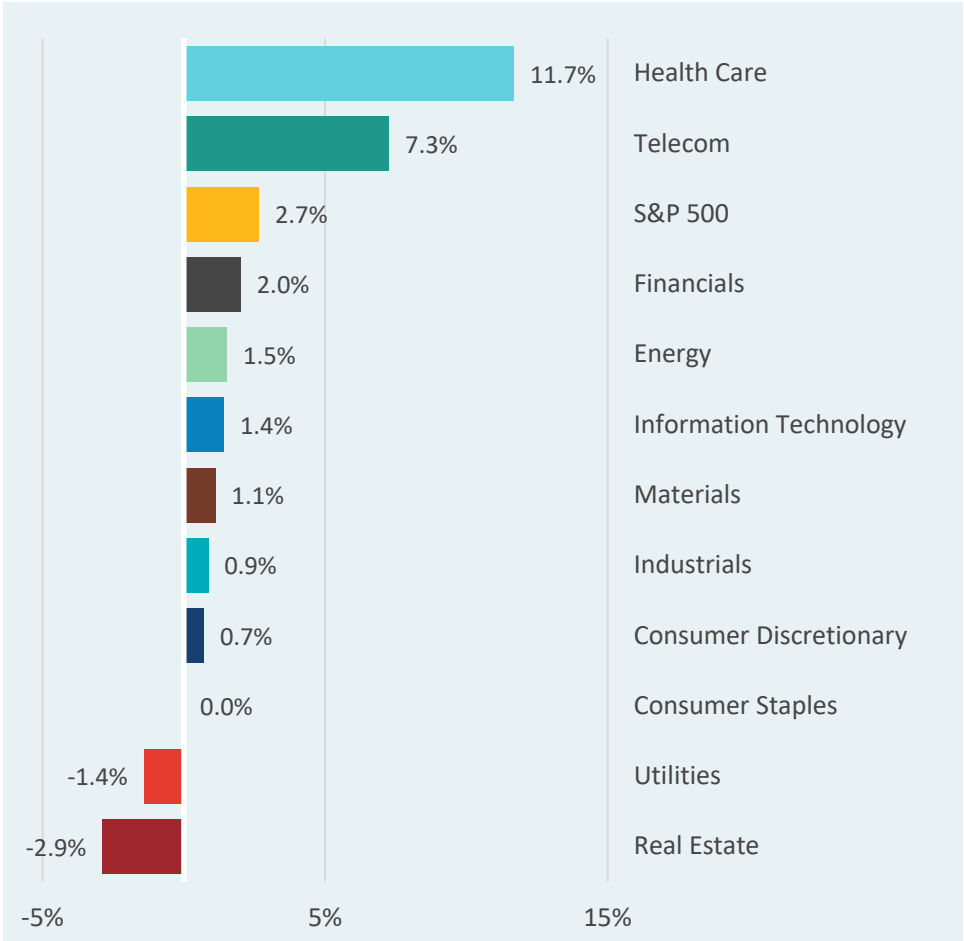
**Only publicly traded asset performance is shown here. Performance of private assets is typically released with a 3- to 6-month delay.*

Source: Bloomberg, as of 12/31/25

Source: Bloomberg, as of 12/31/25

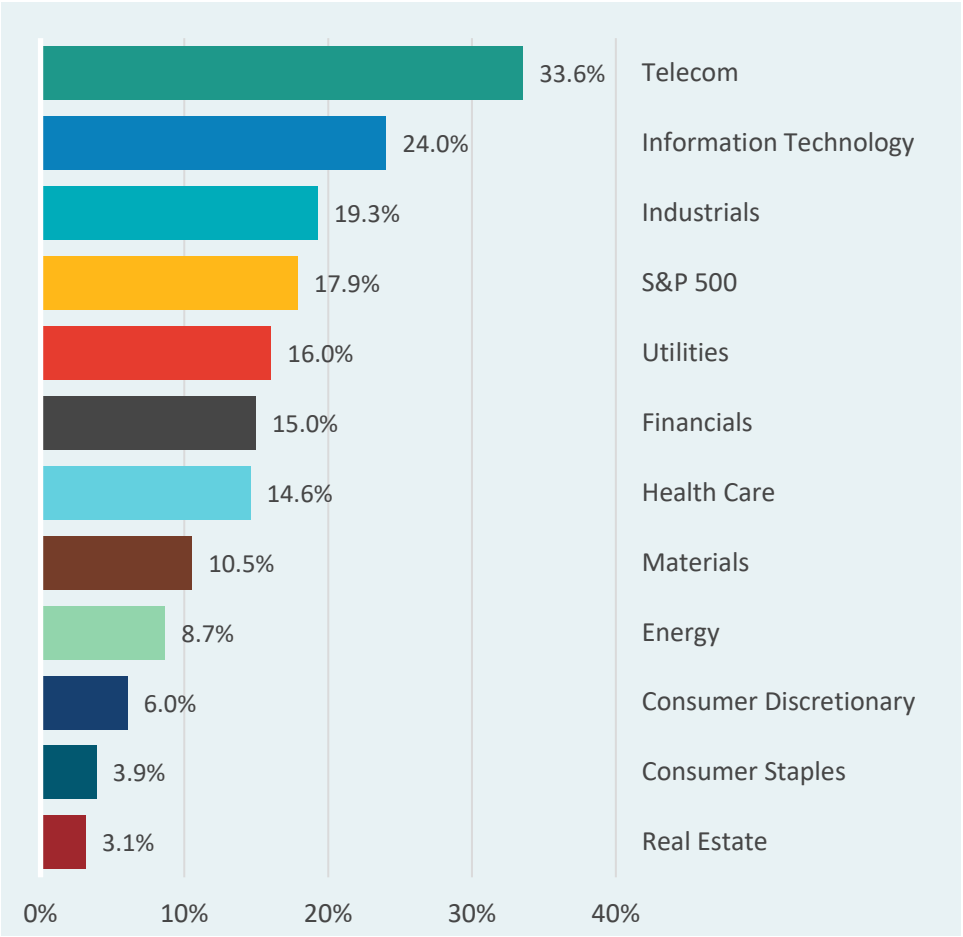
S&P 500 sector returns

QTD



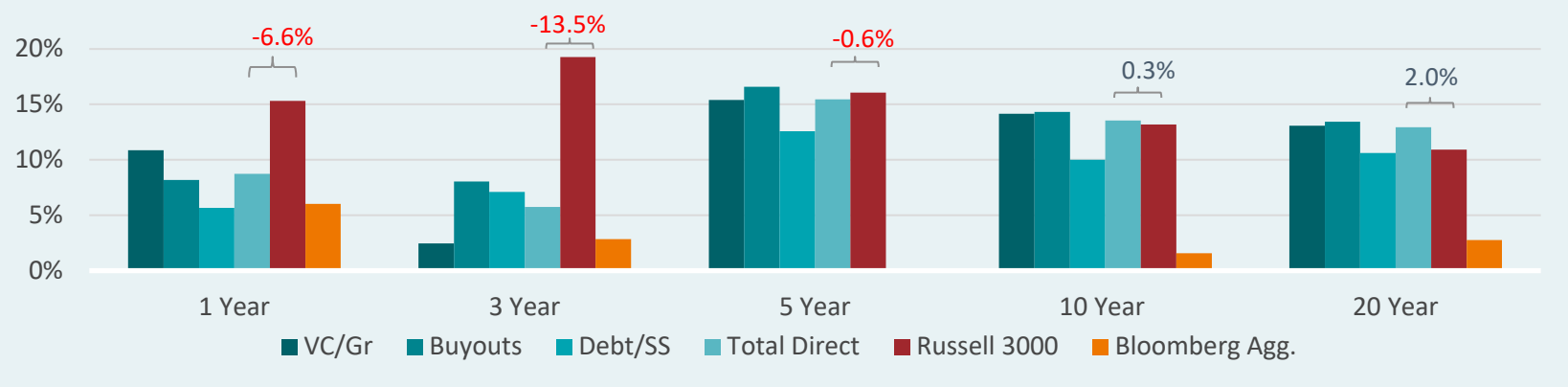
Source: Bloomberg, as of 12/31/25

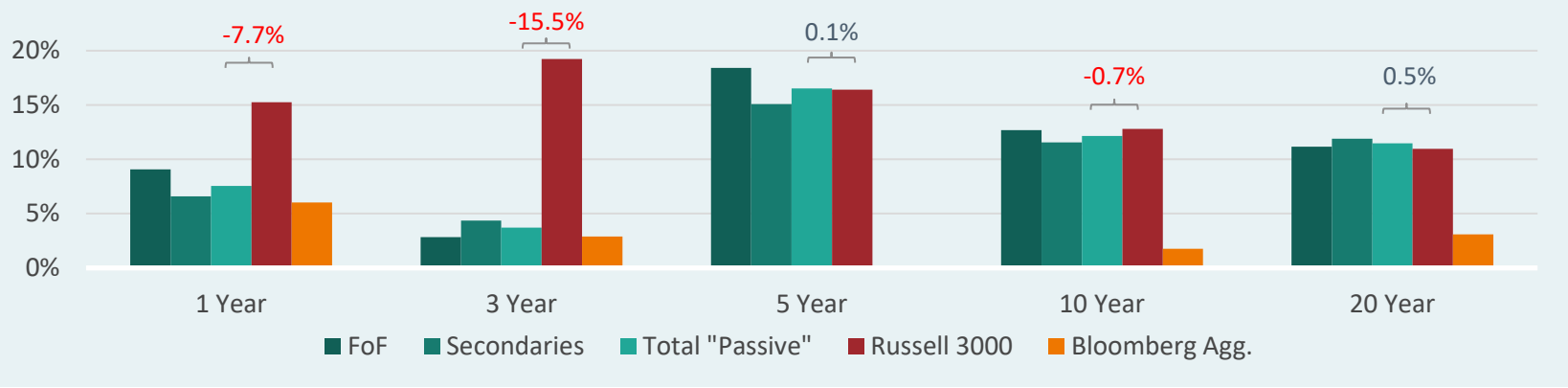
ONE YEAR ENDING DECEMBER



Source: Bloomberg, as of 12/31/25

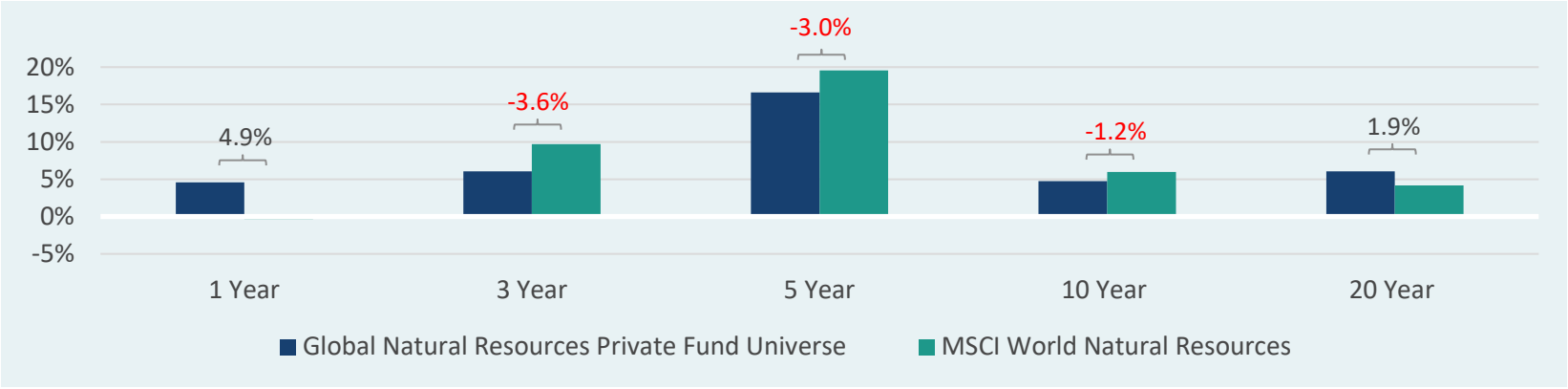
Private equity vs. traditional assets performance

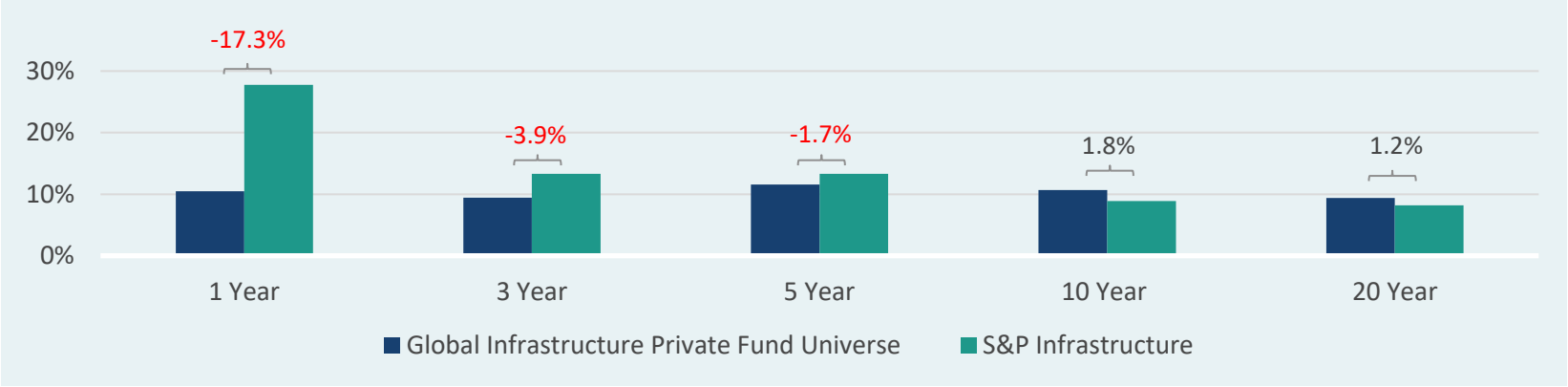




Sources: FTSE PME: U.S. Direct Private Equity and "Passive" returns are as of June 30, 2025. Public Market Equivalent returns resulted from "Total Passive" and Total Direct's identical cash flows invested into and distributed from respective traditional asset comparable.

Private vs. liquid real assets performance

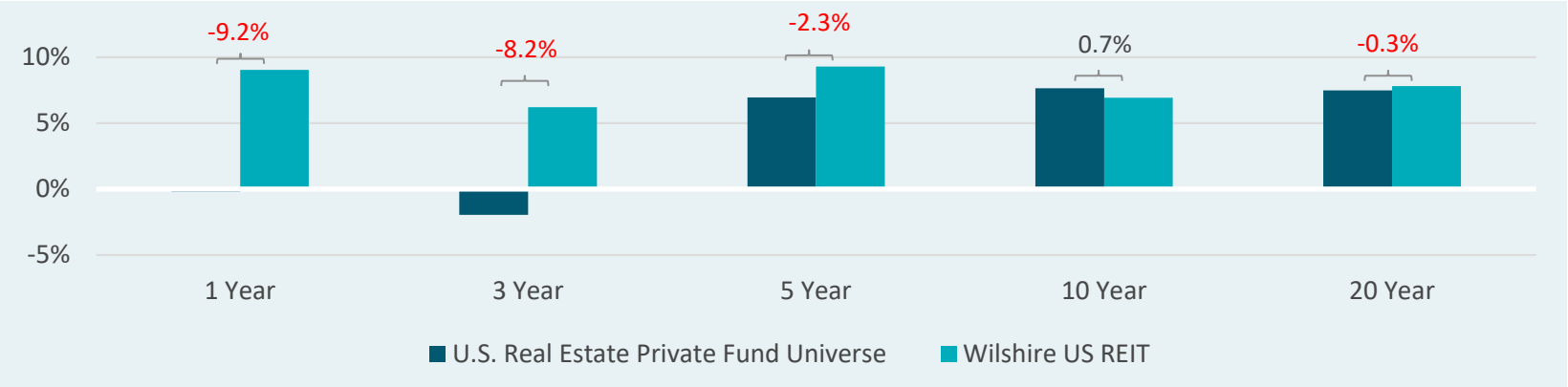




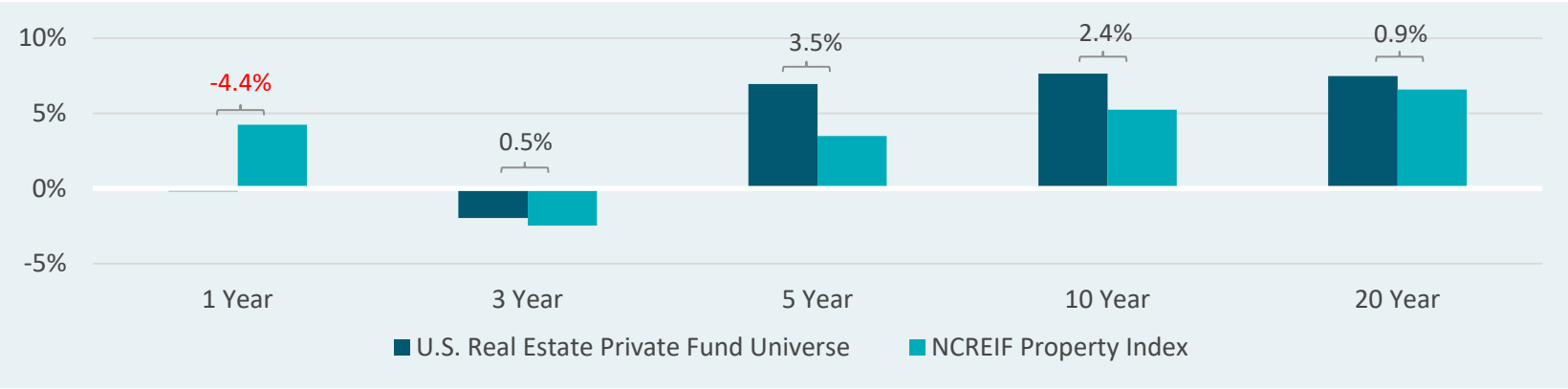
Sources: FTSE PME: Global Natural Resources (vintage 1999 and later, inception of MSCI World Natural Resources benchmark) and Global Infrastructure (vintage 2002 and later, inception of S&P Infrastructure benchmark) universes as of June 30, 2025. Public Market Equivalent returns resulted from identical cash flows invested into and distributed from respective liquid real assets universes.

Private vs. liquid and core real estate performance

U.S. PRIVATE REAL ESTATE FUNDS VS. LIQUID UNIVERSE



U.S. PRIVATE REAL ESTATE FUNDS VS. CORE FUNDS



Detailed index performance

DOMESTIC EQUITY	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Index							
S&P 500	0.1%	2.7%	17.9%	17.9%	23.0%	14.4%	14.8%
S&P 500 Equal Weighted	0.4%	1.4%	11.4%	11.4%	12.7%	10.5%	11.7%
DJ Industrial Average	0.9%	4.0%	14.9%	14.9%	15.3%	11.6%	13.1%
Russell Top 200	0.1%	3.0%	19.2%	19.2%	25.4%	15.1%	15.8%
Russell 1000	0.0%	2.4%	17.4%	17.4%	22.7%	13.6%	14.6%
Russell 2000	-0.6%	2.2%	12.8%	12.8%	13.7%	6.1%	9.6%
Russell 3000	0.0%	2.4%	17.1%	17.1%	22.2%	13.1%	14.3%
Russell Mid Cap	-0.3%	0.2%	10.6%	10.6%	14.3%	8.7%	11.0%
Style Index							
Russell 1000 Growth	-0.6%	1.1%	18.6%	18.6%	31.1%	15.3%	18.1%
Russell 1000 Value	0.7%	3.8%	15.9%	15.9%	13.9%	11.3%	10.5%
Russell 2000 Growth	-1.3%	1.2%	13.0%	13.0%	15.6%	3.2%	9.6%
Russell 2000 Value	0.2%	3.3%	12.6%	12.6%	11.7%	8.9%	9.3%

FIXED INCOME	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Index							
Bloomberg US TIPS	-0.4%	0.1%	7.0%	7.0%	4.2%	1.1%	3.1%
Bloomberg US Treasury Bills	0.4%	1.0%	4.3%	4.3%	4.9%	3.2%	2.2%
Bloomberg US Agg Bond	-0.1%	1.1%	7.3%	7.3%	4.7%	-0.4%	2.0%
Bloomberg US Universal	-0.1%	1.2%	7.6%	7.6%	5.2%	0.1%	2.4%
Duration							
Bloomberg US Treasury 1-3 Yr	0.3%	1.1%	5.2%	5.2%	4.5%	1.8%	1.8%
Bloomberg US Treasury 20+ Yr	-2.1%	-0.5%	4.6%	4.6%	-0.4%	-8.2%	-0.4%
Bloomberg US Treasury	-0.3%	0.9%	6.3%	6.3%	3.6%	-1.0%	1.4%
Issuer							
Bloomberg US MBS	0.2%	1.7%	8.6%	8.6%	4.9%	0.1%	1.6%
Bloomberg US Corp. High Yield	0.6%	1.3%	8.6%	8.6%	10.0%	4.5%	6.5%
Bloomberg US Agency Interm	0.2%	1.1%	5.9%	5.9%	4.8%	1.2%	1.8%
Bloomberg US Credit	-0.2%	0.9%	7.8%	7.8%	6.0%	0.0%	3.1%

INTERNATIONAL EQUITY	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Index							
MSCI ACWI	1.0%	3.3%	22.3%	22.3%	20.6%	11.2%	11.7%
MSCI ACWI ex US	3.0%	5.1%	32.4%	32.4%	17.3%	7.9%	8.4%
MSCI EAFE	3.0%	4.9%	31.2%	31.2%	17.2%	8.9%	8.2%
MSCI EM	3.0%	4.7%	33.6%	33.6%	16.4%	4.2%	8.4%
MSCI EAFE Small Cap	2.3%	2.7%	31.8%	31.8%	14.9%	5.6%	7.5%
Style Index							
MSCI EAFE Growth	1.8%	1.9%	20.8%	20.8%	13.1%	4.4%	7.4%
MSCI EAFE Value	4.2%	7.8%	42.2%	42.2%	21.3%	13.4%	8.7%
Regional Index							
MSCI UK	3.8%	7.0%	35.1%	35.1%	18.3%	13.3%	7.8%
MSCI Japan	0.5%	3.2%	24.6%	24.6%	17.5%	6.6%	7.6%
MSCI Euro	3.6%	5.2%	38.7%	38.7%	21.0%	11.0%	9.0%
MSCI EM Asia	3.0%	4.5%	32.1%	32.1%	16.8%	3.6%	8.9%
MSCI EM Latin America	1.1%	8.2%	54.8%	54.8%	14.8%	8.6%	8.8%

OTHER	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Index							
Bloomberg Commodity	-0.3%	5.8%	15.8%	15.8%	3.9%	10.6%	5.7%
FTSE NAREIT Equity REITS	-2.3%	-1.6%	2.9%	2.9%	8.3%	6.6%	5.7%
Morningstar LSTA US LL	0.7%	1.2%	5.9%	5.9%	9.3%	6.4%	5.8%
S&P Global Infrastructure	-0.7%	2.4%	22.6%	22.6%	14.6%	11.0%	9.4%
Alerian MLP Infrastructure	-1.5%	3.1%	8.1%	8.1%	19.2%	25.7%	8.1%
Emerging Market Debt							
JPM EMBI Global Div	0.7%	3.3%	14.3%	14.3%	10.6%	1.8%	4.4%
JPM GBI-EM Global Div	1.5%	3.3%	19.3%	19.3%	9.5%	1.1%	3.9%
Hedge Funds							
HFRI Composite	0.0%	1.3%	10.9%	10.9%	9.6%	6.8%	6.5%
HFRI FOF Composite	0.0%	1.9%	9.2%	9.2%	8.1%	4.9%	4.7%
Currency (Spot vs. USD)							
Euro	1.3%	0.1%	13.4%	13.4%	3.1%	-0.8%	0.8%
Pound Sterling	1.8%	0.2%	7.7%	7.7%	3.7%	-0.3%	-0.9%
Yen	-0.3%	-5.6%	0.3%	0.3%	-5.8%	-8.0%	-2.6%

Source: Bloomberg, HFRI, as of 12/31/25

Definitions

Bloomberg US Weekly Consumer Comfort Index *- tracks the public's economic attitudes each week, providing a high-frequency read on consumer sentiment. The index, based on cell and landline telephone interviews with a random, representative national sample of U.S. adults, tracks Americans' ratings of the national economy, their personal finances and the buying climate on a weekly basis, with views of the economy's direction measured separately each month. (www.langerresearch.com)*

University of Michigan Consumer Sentiment Index *- A survey of consumer attitudes concerning both the present situation as well as expectations regarding economic conditions conducted by the University of Michigan. For the preliminary release approximately three hundred consumers are surveyed while five hundred are interviewed for the final figure. The level of consumer sentiment is related to the strength of consumer spending. (www.Bloomberg.com)*

NFIB Small Business Outlook *- Small Business Economic Trends (SBET) is a monthly assessment of the U.S. small-business economy and its near-term prospects. Its data are collected through mail surveys to random samples of the National Federal of Independent Business (NFIB) membership. The survey contains three broad question types: recent performance, near-term forecasts, and demographics. The topics addressed include: outlook, sales, earnings, employment, employee compensation, investment, inventories, credit conditions, and single most important problem. (http://www.nfib-sbet.org/about/)*

NAHB Housing Market Index – *the housing market index is a weighted average of separate diffusion induces for three key single-family indices: market conditions for the sale of new homes at the present time, market conditions for the sale of new homes in the next six months, and the traffic of prospective buyers of new homes. The first two series are rated on a scale of Good, Fair, and Poor and the last is rated on a scale of High/Very High, Average, and Low/Very Low. A diffusion index is calculated for each series by applying the formula "(Good-Poor + 100)/2" to the present and future sales series and "(High/Very High-Low/Very Low + 100)/2" to the traffic series. Each resulting index is then seasonally adjusted and weighted to produce the HMI. Based on this calculation, the HMI can range between 0 and 100.*

Notices & disclosures

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Kern County Employees Retirement Association

Investment Performance Review

Period Ending: December 31, 2025

Verus

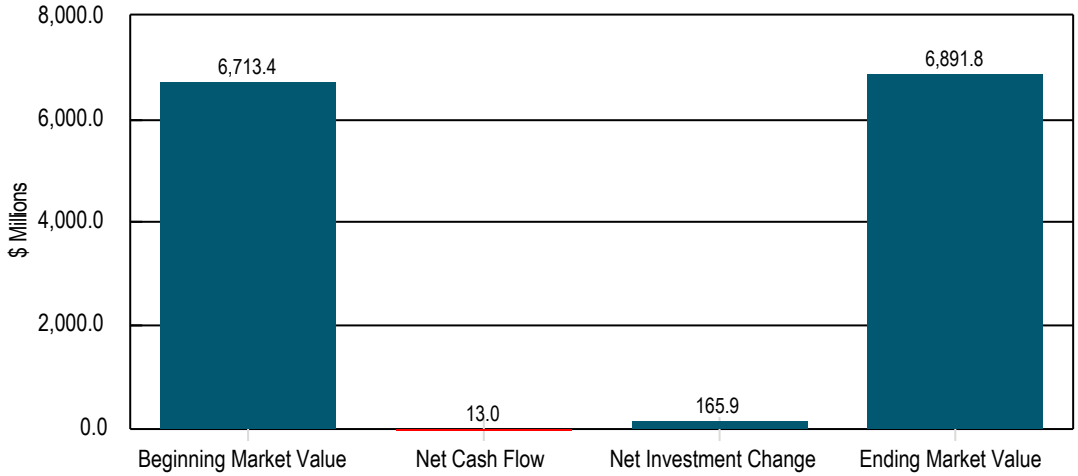
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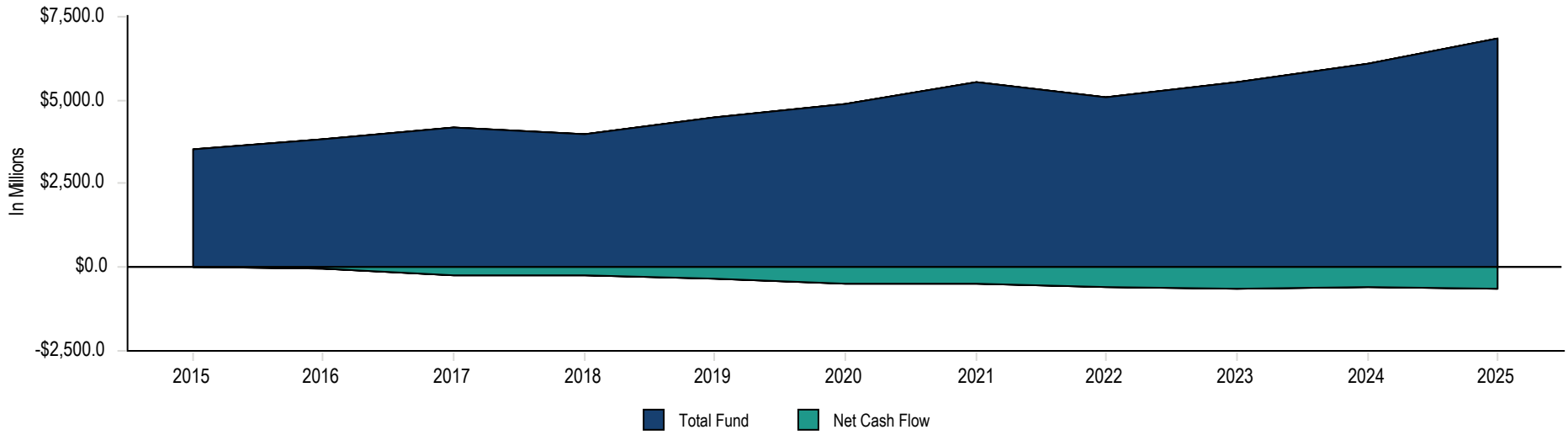
Portfolio Reconciliation

	Last Three Months
Beginning Market Value	$6,713,350,235
Net Cash Flows	$12,979,259
Net Investment Change	$165,919,654
Ending Market Value	$6,891,788,108

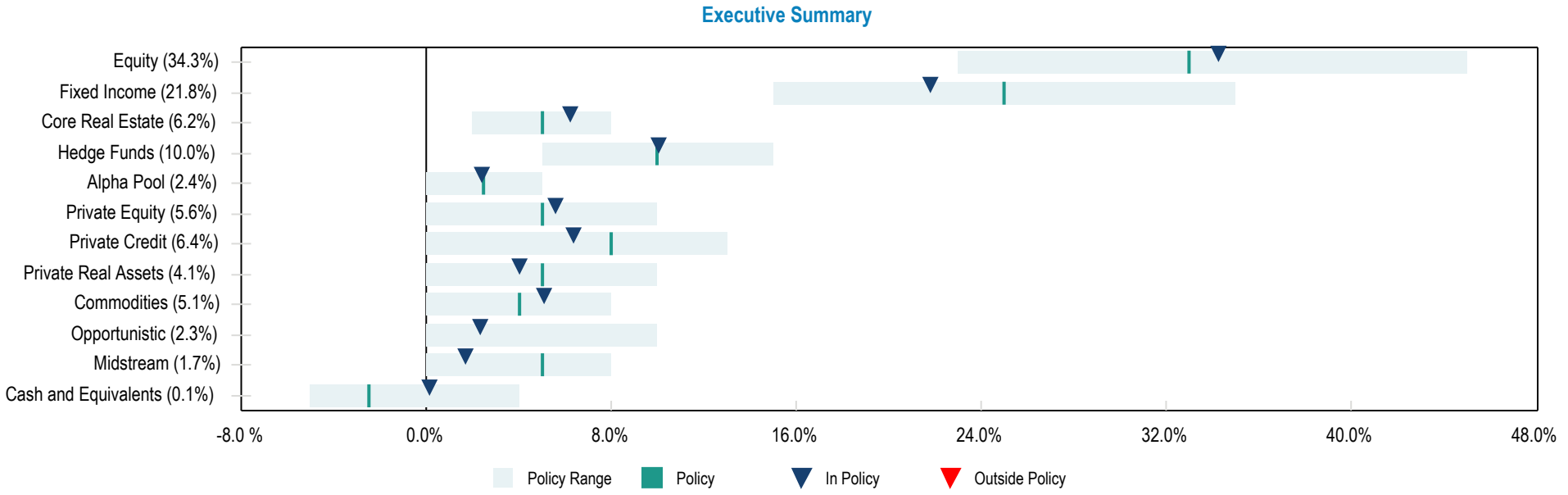
Change in Market Value
Last Three Months

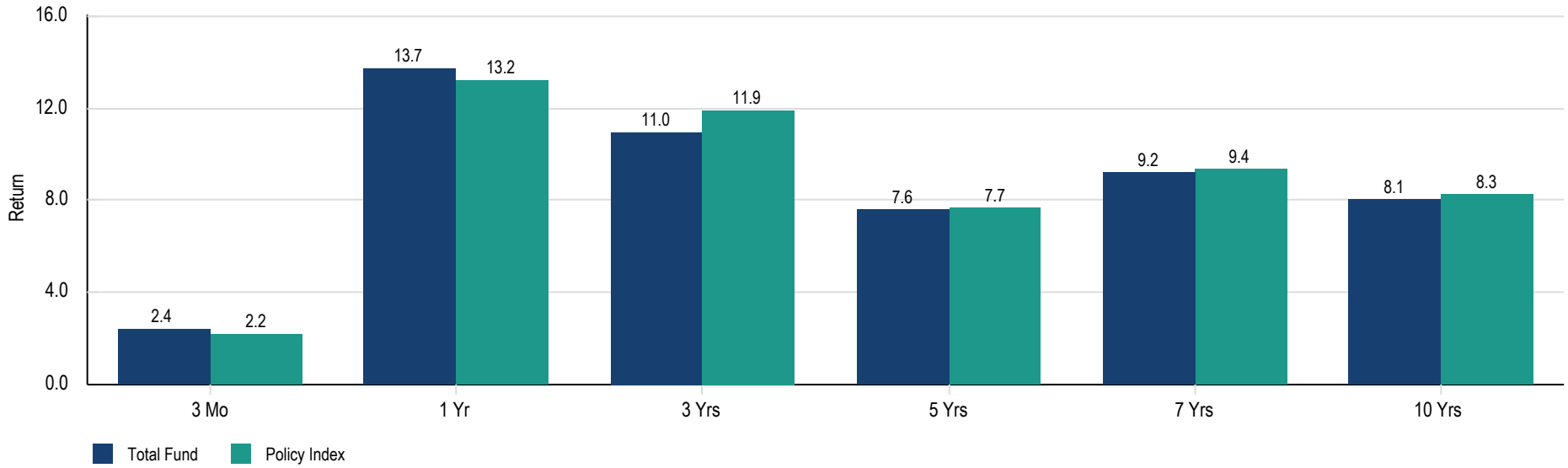


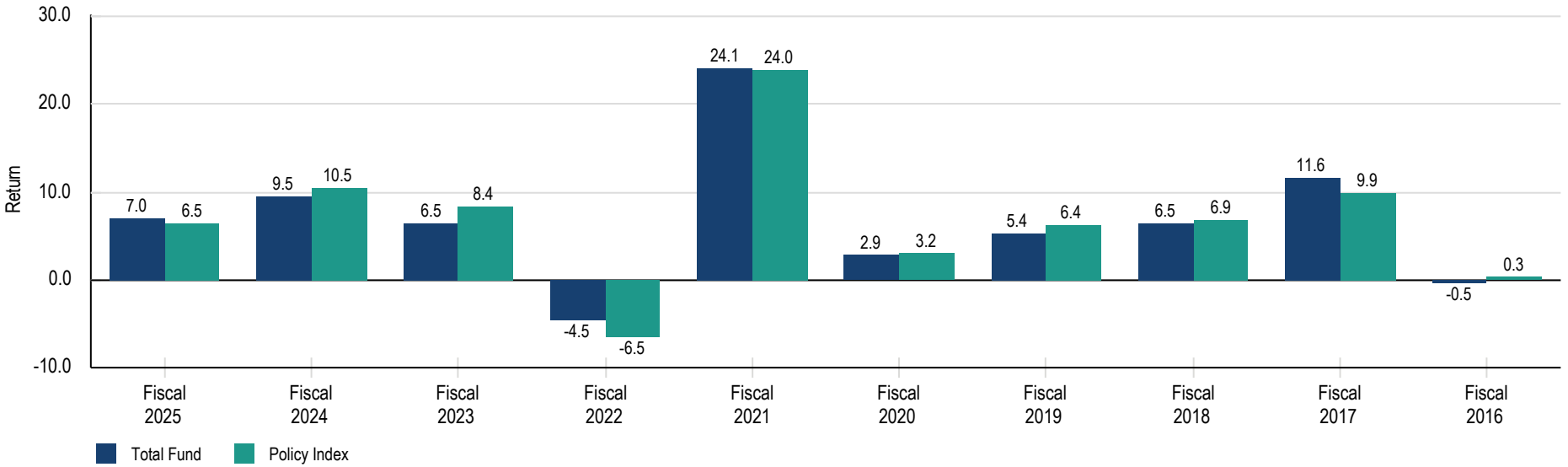
Market Value History



	Current Balance ($)	Current Allocation (%)	Policy Allocation (%)	Excess Allocation (%)	Policy Range (%)	Within IPS Range?
Equity	2,363,025,800	34.3	33.0	1.3	23.0 - 45.0	Yes
Fixed Income	1,502,327,582	21.8	25.0	-3.2	15.0 - 35.0	Yes
Core Real Estate	427,425,076	6.2	5.0	1.2	2.0 - 8.0	Yes
Hedge Funds	690,626,501	10.0	10.0	0.0	5.0 - 15.0	Yes
Alpha Pool	166,284,295	2.4	2.5	-0.1	0.0 - 5.0	Yes
Private Equity	386,918,517	5.6	5.0	0.6	0.0 - 10.0	Yes
Private Credit	439,059,768	6.4	8.0	-1.6	0.0 - 13.0	Yes
Private Real Assets	279,145,213	4.1	5.0	-0.9	0.0 - 10.0	Yes
Commodities	349,228,020	5.1	4.0	1.1	0.0 - 8.0	Yes
Opportunistic	160,444,569	2.3	0.0	2.3	0.0 - 10.0	Yes
Midstream	119,453,547	1.7	5.0	-3.3	0.0 - 8.0	Yes
Cash and Equivalents	7,849,221	0.1	-2.5	2.6	-5.0 - 4.0	Yes
Total	**6,891,788,108**	**100.0**	**100.0**	**0.0**		




16.0
12.0
8.0
4.0
0.0
Return
2.4
2.2
13.7
13.2
11.0
11.9
7.6
7.7
9.2
9.4
8.1
8.3
3 Mo
1 Yr
3 Yrs
5 Yrs
7 Yrs
10 Yrs
Total Fund
Policy Index


30.0
20.0
10.0
0.0
-10.0
Return
7.0
6.5
9.5
10.5
6.5
8.4
-4.5
-6.5
24.1
24.0
2.9
3.2
5.4
6.4
6.5
6.9
11.6
9.9
-0.5
0.3
Fiscal 2025
Fiscal 2024
Fiscal 2023
Fiscal 2022
Fiscal 2021
Fiscal 2020
Fiscal 2019
Fiscal 2018
Fiscal 2017
Fiscal 2016
Total Fund
Policy Index

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2021
Total Fund	**6,891,788,108**	**100.0**	**2.5**	**7.2**	**13.6**	**11.1**	**7.8**	**8.4**	**10.7**	**9.7**	**6.7**	**-4.3**	**24.4**
Policy Index			*2.2*	*6.5*	*13.2*	*11.9*	*7.7*	*8.3*	*11.4*	*10.5*	*8.4*	*-6.5*	*24.0*
InvMetrics Public DB > $1B Rank			*24*	*32*	*48*	*55*	*34*	*54*	*48*	*57*	*72*	*38*	*89*
Equity	**2,363,025,800**	**34.3**	**3.2**	**11.1**	**21.8**	**18.9**	**10.8**	**11.7**	**14.8**	**17.1**	**15.9**	**-14.9**	**41.2**
MSCI AC World IMI Index (Net)			*3.2*	*11.1*	*22.1*	*20.0*	*10.7*	*11.4*	*15.9*	*18.4*	*16.1*	*-16.5*	*40.9*
Domestic Equity	1,311,465,591	19.0	2.5	10.0	14.3	20.5	12.8	14.3	12.9	22.4	17.9	-12.0	43.6
MSCI USA IMI			*2.4*	*10.9*	*17.3*	*22.4*	*13.3*	*14.4*	*15.2*	*23.3*	*19.2*	*-13.7*	*44.4*
International Developed Equity	775,429,563	11.3	3.8	10.9	29.5	17.1	8.7	8.5	17.8	11.0	17.2	-19.6	37.0
MSCI World ex U.S. IMI Index (Net)			*5.0*	*10.8*	*32.2*	*17.4*	*9.0*	*8.5*	*19.3*	*10.8*	*16.3*	*-17.7*	*34.8*
Emerging Markets Equity	276,128,562	4.0	4.7	17.2	38.4	19.1	7.2	8.3	17.0	14.2	5.3	-21.4	40.6
MSCI Emerging Markets IMI (Net)			*4.3*	*14.6*	*31.4*	*16.3*	*4.7*	*8.4*	*14.3*	*13.6*	*3.2*	*-24.8*	*43.2*
Fixed Income	**1,502,327,582**	**21.8**	**1.6**	**4.0**	**8.7**	**6.3**	**0.9**	**3.6**	**7.5**	**4.2**	**3.1**	**-12.7**	**5.4**
Fixed Income Custom Benchmark			*1.3*	*3.2*	*8.0*	*6.1*	*0.8*	*3.2*	*7.4*	*4.8*	*1.9*	*-11.6*	*4.0*
Core Fixed Income	765,368,276	11.1	1.3	3.3	7.5	4.5	-0.7	2.3	5.6	2.5	-0.9	-11.2	1.0
Core Fixed Income Benchmark			*1.1*	*2.9*	*7.1*	*4.5*	*-0.5*	*2.0*	*5.8*	*2.5*	*-0.9*	*-10.3*	*-0.3*
Credit Fixed Income	736,745,090	10.7	2.0	4.7	10.1	9.3	3.3	5.3	10.1	7.1	9.3	-14.2	11.6
Credit Fixed Income Benchmark			*1.6*	*3.9*	*10.0*	*9.5*	*3.0*	*5.4*	*10.5*	*8.2*	*9.2*	*-15.7*	*12.2*
Commodities	**349,228,020**	**5.1**	**7.0**	**13.0**	**21.2**	**9.8**	**13.3**	**8.7**	**6.6**	**14.6**	**-6.3**	**20.1**	**43.5**
Bloomberg Commodity Index Total Return			*5.8*	*9.7*	*15.8*	*4.0*	*10.6*	*5.7*	*5.8*	*5.0*	*-9.6*	*24.3*	*45.6*
Hedge Funds	**690,626,501**	**10.0**	**2.1**	**4.6**	**7.9**	**8.6**	**7.5**	**7.4**	**8.9**	**9.2**	**6.9**	**2.9**	**16.3**
75% (3 Month T-Bill + 3%) + 25% MSCI ACWI Net			*2.1*	*5.4*	*11.0*	*11.1*	*7.7*	*7.0*	*10.0*	*11.4*	*9.4*	*-1.7*	*11.4*
Alpha Pool	**166,284,295**	**2.4**	**2.1**	**4.4**	**8.5**	**3.1**	**3.4**	**-**	**6.2**	**0.7**	**-0.9**	**1.5**	**14.5**
3-Month Treasury Bill +3%			*1.7*	*3.6*	*7.3*	*8.0*	*6.3*	*-*	*7.8*	*8.6*	*6.7*	*3.2*	*3.1*
Midstream Energy	**119,453,547**	**1.7**	**-1.5**	**-0.5**	**5.6**	**19.1**	**22.8**	**-**	**22.4**	**30.6**	**20.1**	**9.7**	**-**
Alerian Midstream Energy Index			*-1.4*	*-0.1*	*5.0*	*20.0*	*23.8*	*-*	*30.8*	*26.7*	*12.2*	*11.4*	*-*
Core Real Estate	**421,568,570**	**6.1**	**2.3**	**5.1**	**9.7**	**-6.8**	**0.5**	**2.9**	**4.9**	**-19.8**	**-11.9**	**25.6**	**6.6**
NCREIF ODCE (Net)			*0.7*	*1.2*	*2.9*	*-4.3*	*2.5*	*3.9*	*2.7*	*-10.0*	*-10.7*	*28.3*	*7.1*
Private Real Assets	**284,442,820**	**4.1**	**2.5**	**5.4**	**6.3**	**0.5**	**9.5**	**8.0**	**0.4**	**-6.4**	**7.9**	**38.8**	**9.6**
			2.5	*5.4*	*6.3*	*0.5*	*9.5*	*8.0*	*0.4*	*-6.4*	*7.9*	*38.8*	*9.6*
Private Equity	**386,918,517**	**5.6**	**2.4**	**7.7**	**13.1**	**10.9**	**13.1**	**10.9**	**9.1**	**11.9**	**-0.6**	**21.5**	**41.9**
			2.4	*7.7*	*13.1*	*10.9*	*13.1*	*10.9*	*9.1*	*11.9*	*-0.6*	*21.5*	*41.9*
Private Credit	**439,059,768**	**6.4**	**1.6**	**5.0**	**10.7**	**10.7**	**7.3**	**7.9**	**9.7**	**13.1**	**3.2**	**0.3**	**4.8**
			1.6	*5.0*	*10.7*	*10.7*	*7.3*	*7.9*	*9.7*	*13.1*	*3.2*	*0.3*	*4.8*

Policy Index: 33% MSCI ACWI IMI (Net), 27% Fixed Income Blend - 17% Core (9% Bloomberg US Aggregate Index, 3% ICE BofAML 7-10 Year US Treasury Index, 4% Bloomberg US Corporate Credit 1-3 Year Index). 10% Credit (5% Securitized (2.5% Bloomberg Non-Agency CMBS Index; 1.67% Bloomberg ABS Index; 0.83% J.P. Morgan CLOIE AAA Index) 2.5% Morningstar LSTA Leverage Loan Index. 2.5% Emerging Market Debt (2.5% JPM EMBI Global Div - Hard currency only, 4% Bloomberg Commodity Index, 10% Hedge fund (7.5% 3-Month T-bill + 3%, 2.5% MSCI ACWI (Net)), 2.5% 3-Month T-Bill + 3%, 5% Alerian Midstream Energy Index, 6% NCREIF-ODCE Net Monthly, 5% actual timeweighted Private Equity Returns, 6% actual time-weighted Private Credit Returns*, 4% actual time-weighted Private Real Estate Returns*, 0% Assumed Rate of Return +3%, -2.5% 3-Month T-bill. Fixed Income Beta Exposure return includes overlay cash and an implied hurdle rate also applied to the Alpha pool. Hedge fund data sourced from Albourne.*

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2021
Opportunistic	**161,003,468**	**2.3**	**4.1**	**9.9**	**18.4**	**12.1**	**12.7**	**-**	**18.4**	**2.9**	**0.6**	**-5.3**	**60.3**
Assumed Rate of Return +3%			*2.4*	*4.9*	*10.0*	*10.0*	*10.0*	*-*	*10.0*	*10.0*	*10.0*	*10.0*	*10.0*
Cash	**166,604,535**	**2.4**	**1.1**	**2.5**	**4.9**	**5.2**	**3.3**	**2.7**	**5.4**	**6.4**	**2.6**	**-0.1**	**0.1**
3 Month T-Bill			*1.0*	*2.1*	*4.2*	*4.8*	*3.2*	*2.2*	*4.7*	*5.4*	*3.6*	*0.2*	*0.1*

Policy Index: 33% MSCI ACWI IMI (Net), 27% Fixed Income Blend - 17% Core (9% Bloomberg US Aggregate Index, 3% ICE BofAML 7-10 Year US Treasury Index, 4% Bloomberg US Corporate Credit 1-3 Year Index). 10% Credit (5% Securitized (2.5% Bloomberg Non-Agency CMBS Index; 1.67% Bloomberg ABS Index; 0.83% J.P. Morgan CLOIE AAA Index) 2.5% Morningstar LSTA Leverage Loan Index. 2.5% Emerging Market Debt (2.5% JPM EMBI Global Div - Hard currency only, 4% Bloomberg Commodity Index, 10% Hedge fund (7.5% 3-Month T-bill + 3%, 2.5% MSCI ACWI (Net)), 2.5% 3-Month T-Bill + 3%, 5% Alerian Midstream Energy Index, 6% NCREIF-ODCE Net Monthly, 5% actual timeweighted Private Equity Returns, 6% actual time-weighted Private Credit Returns*, 4% actual time-weighted Private Real Estate Returns*, 0% Assumed Rate of Return +3%, -2.5% 3-Month T-bill. Fixed Income Beta Exposure return includes overlay cash and an implied hurdle rate also applied to the Alpha pool. Hedge fund data sourced from Albourne.*

Performance and Attribution

Total Fund
Performance (Net of Fees)

Kern County Employees' Retirement Association
Period Ending: December 31, 2025

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2021	Inception	Inception Date
Total Fund	**6,891,788,108**	**100.0**	**2.4**	**7.0**	**13.7**	**11.0**	**7.6**	**8.1**	**10.9**	**9.5**	**6.5**	**-4.5**	**24.1**	**7.2**	**Jun-11**
Policy Index			*2.2*	*6.5*	*13.2*	*11.9*	*7.7*	*8.3*	*11.4*	*10.5*	*8.4*	*-6.5*	*24.0*	*7.2*	
Equity	**2,363,025,800**	**34.3**	**3.1**	**10.9**	**21.5**	**18.7**	**10.6**	**11.4**	**14.6**	**16.9**	**15.7**	**-15.1**	**40.7**	**10.2**	**Jun-11**
MSCI AC World IMI Index (Net)			*3.2*	*11.1*	*22.1*	*20.0*	*10.7*	*11.4*	*15.9*	*18.4*	*16.1*	*-16.5*	*40.9*	*9.7*	
Domestic Equity	**1,311,465,591**	**19.0**	**2.5**	**9.8**	**14.1**	**20.2**	**12.6**	**14.0**	**12.7**	**22.1**	**17.6**	**-12.2**	**43.2**	**12.7**	**Jul-14**
MSCI USA IMI			*2.4*	*10.9*	*17.3*	*22.4*	*13.3*	*14.4*	*15.2*	*23.3*	*19.2*	*-13.7*	*44.4*	*13.0*	
Mellon DB SL Stock Index Fund	787,720,594	11.4	2.7	11.0	17.9	23.0	14.4	-	15.1	24.5	19.6	-10.6	40.8	14.7	Oct-17
S&P 500 Index			*2.7*	*11.0*	*17.9*	*23.0*	*14.4*	-	*15.2*	*24.6*	*19.6*	*-10.6*	*40.8*	*14.6*	
PIMCO StocksPLUS	187,403,783	2.7	2.7	11.3	18.4	23.5	14.0	14.8	15.1	25.6	18.8	-12.8	41.7	11.7	Jul-03
S&P 500 Index			*2.7*	*11.0*	*17.9*	*23.0*	*14.4*	*14.8*	*15.2*	*24.6*	*19.6*	*-10.6*	*40.8*	*11.0*	
Chilton High Conviction Equity	209,478,959	3.0	3.0	10.6	-	-	-	-	-	-	-	-	-	18.5	May-25
S&P 500 Index			*2.7*	*11.0*	-	-	-	-	-	-	-	-	-	*18.1*	
Geneva Capital Small Cap Growth	84,768,895	1.2	-0.9	-3.2	-8.0	7.9	1.3	9.4	3.3	9.8	15.6	-22.1	37.6	8.6	Jul-15
Russell 2000 Growth Index			*1.2*	*13.6*	*13.0*	*15.6*	*3.2*	*9.6*	*9.7*	*9.1*	*18.5*	*-33.4*	*51.4*	*8.0*	
Russell 2000 Overlay	42,093,360	0.6	2.1	-	-	-	-	-	-	-	-	-	-	6.5	Aug-25
Russell 2000 Index			*2.2*	-	-	-	-	-	-	-	-	-	-	*6.5*	
International Developed Equity	**775,429,563**	**11.3**	**3.7**	**10.8**	**29.4**	**17.0**	**9.1**	**8.5**	**17.7**	**10.9**	**17.1**	**-17.8**	**36.7**	**6.7**	**Jul-14**
MSCI World ex U.S. IMI Index (Net)			*5.0*	*10.8*	*32.2*	*17.4*	*9.0*	*8.5*	*19.3*	*10.8*	*16.3*	*-17.7*	*34.8*	*6.2*	
Mellon DB SL World ex-US Index Fund	398,614,912	5.8	5.3	11.0	32.2	18.1	10.3	-	19.0	11.7	17.9	-16.1	35.6	8.9	Jul-18
MSCI World ex U.S. IMI Index (Net)			*5.0*	*10.8*	*32.2*	*17.4*	*9.0*	-	*19.3*	*10.8*	*16.3*	*-17.7*	*34.8*	*8.1*	
Cevian Capital II	62,627,091	0.9	8.4	16.9	24.6	22.1	16.7	12.3	13.2	21.8	25.3	-8.2	46.8	10.4	Dec-14
MSCI Europe (Net)			*6.2*	*10.0*	*35.4*	*18.2*	*10.3*	*8.5*	*18.4*	*11.7*	*21.8*	*-17.6*	*35.1*	*7.3*	
Lazard Japanese Equity	179,466,395	2.6	1.5	11.7	24.9	-	-	-	14.1	-	-	-	-	21.0	Nov-23
TOPIX Net Total Return Index			*3.8*	*12.6*	*26.9*	-	-	-	*15.5*	-	-	-	-	*20.6*	
American Century Non-US Small Cap	49,966,565	0.7	2.0	7.8	28.9	12.2	3.2	-	16.9	8.3	7.9	-27.4	-	4.2	Dec-20
MSCI World ex U.S. Small Cap Growth Index (Net)			*1.9*	*7.9*	*29.7*	*13.7*	*3.2*	-	*22.1*	*5.6*	*9.5*	*-28.6*	-	*4.1*	
Dalton Japan Long Only	84,754,601	1.2	-0.5	7.3	27.1	-	-	-	23.5	-	-	-	-	20.5	Oct-23
MSCI Japan Small Cap Index (Net)			*1.1*	*10.4*	*28.7*	-	-	-	*22.9*	-	-	-	-	*20.7*	
Emerging Markets Equity	**276,128,562**	**4.0**	**4.5**	**16.8**	**37.5**	**18.5**	**6.6**	**7.5**	**16.5**	**13.8**	**4.6**	**-21.9**	**39.5**	**4.6**	**Jul-14**
MSCI Emerging Markets IMI (Net)			*4.3*	*14.6*	*31.4*	*16.3*	*4.7*	*8.4*	*14.3*	*13.6*	*3.2*	*-24.8*	*43.2*	*5.1*	
Mellon Emerging Markets Stock Index Fund	12,301,521	0.2	4.4	15.9	33.7	16.3	4.1	-	15.5	12.0	1.6	-25.5	41.1	8.7	Jun-20
MSCI Emerging Markets IMI (Net)			*4.3*	*14.6*	*31.4*	*16.3*	*4.7*	-	*14.3*	*13.6*	*3.2*	*-24.8*	*43.2*	*10.9*	
ABS Emerging Market Direct	90,410,348	1.3	4.2	15.7	32.5	-	-	-	-	-	-	-	-	20.9	Aug-24
MSCI Emerging Markets IMI (Net)			*4.3*	*14.6*	*31.4*	-	-	-	-	-	-	-	-	*20.8*	
Carrhae Capital Long Master Fund Ltd	103,106,294	1.5	4.5	20.7	49.8	-	-	-	-	-	-	-	-	31.4	Aug-24
MSCI Emerging Markets IMI (Net)			*4.3*	*14.6*	*31.4*	-	-	-	-	-	-	-	-	*20.8*	
DFA Emerging Markets Value I	70,310,400	1.0	5.0	13.0	29.5	17.0	10.0	9.8	11.9	16.7	7.9	-12.9	47.6	6.5	Mar-14
MSCI Emerging Markets Value (Net)			*6.4*	*15.7*	*32.7*	*16.6*	*6.8*	*8.0*	*12.7*	*14.1*	*4.1*	*-18.6*	*41.6*	*4.9*	
Fixed Income	**1,502,327,582**	**21.8**	**1.6**	**3.9**	**8.5**	**6.1**	**0.6**	**3.3**	**7.2**	**3.9**	**2.9**	**-13.0**	**5.1**	**3.6**	**Jun-10**
Fixed Income Custom Benchmark			*1.3*	*3.2*	*8.0*	*6.1*	*0.8*	*3.2*	*7.4*	*4.8*	*1.9*	*-11.6*	*4.0*	*3.4*	
Core Fixed Income	**765,368,276**	**11.1**	**1.3**	**3.2**	**7.5**	**4.4**	**-0.8**	**2.2**	**5.5**	**2.4**	**-1.0**	**-11.4**	**0.8**	**2.0**	**Jul-14**
Core Fixed Income Benchmark			*1.1*	*2.9*	*7.1*	*4.5*	*-0.5*	*2.0*	*5.8*	*2.5*	*-0.9*	*-10.3*	*-0.3*	*1.9*	
Fixed Income Beta Exposure	135,768,894	2.0	1.1	2.7	8.1	3.8	-	-	5.5	1.7	-2.5	-	-	2.7	Jun-22
ICE BofA 7-10 Year U.S. Treasury Index			*0.9*	*2.7*	*8.2*	*3.6*	-	-	*6.2*	*0.3*	*-3.3*	-	-	*1.4*	

Policy Index: 33% MSCI ACWI IMI (Net), 27% Fixed Income Blend - 17% Core (9% Bloomberg US Aggregate Index, 3% ICE BofAML 7-10 Year US Treasury Index, 4% Bloomberg US Corporate Credit 1-3 Year Index). 10% Credit (5% Securitized (2.5% Bloomberg Non-Agency CMBS Index; 1.67% Bloomberg ABS Index; 0.83% J.P. Morgan CLOIE AAA Index) 2.5% Morningstar LSTA Leverage Loan Index. 2.5% Emerging Market Debt (2.5% JPM EMBI Global Div - Hard currency only, 4% Bloomberg Commodity Index, 10% Hedge fund (7.5% 3-Month T-bill + 3%, 2.5% MSCI ACWI (Net)), 2.5% 3-Month T-Bill + 3%, 5% Alerian Midstream Energy Index, 6% NCREIF-ODCE Net Monthly, 5% actual timeweighted Private Equity Returns, 6% actual time-weighted Private Credit Returns*, 4% actual time-weighted Private Real Estate Returns*, 0% Assumed Rate of Return +3%, -2.5% 3-Month T-bill. Fixed Income Beta Exposure return includes overlay cash and an implied hurdle rate also applied to the Alpha pool. Hedge fund data sourced from Albourne. Blue Owl Real Estate Fund VI estimated return is 3.5%*

Verus

Total Fund
Performance (Net of Fees)

Kern County Employees' Retirement Association
Period Ending: December 31, 2025

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2021	Inception	Inception Date
Mellon DB SL Aggregate Bond Index Fund	164,272,726	2.4	1.1	3.1	7.3	4.7	-0.4	2.0	6.1	2.6	-0.9	-10.4	-0.4	2.4	Jan-11
Bloomberg U.S. Aggregate Index			*1.1*	*3.2*	*7.3*	*4.7*	*-0.4*	*2.0*	*6.1*	*2.6*	*-0.9*	*-10.3*	*-0.3*	*2.4*	
PIMCO Core Plus	191,410,678	2.8	1.7	4.3	9.5	5.9	0.5	2.7	7.4	3.6	-0.7	-9.9	1.1	2.9	Feb-11
Bloomberg U.S. Aggregate Index			*1.1*	*3.2*	*7.3*	*4.7*	*-0.4*	*2.0*	*6.1*	*2.6*	*-0.9*	*-10.3*	*-0.3*	*2.4*	
Aristotle Short Duration Bond Strategy	273,915,978	4.0	1.2	2.8	-	-	-	-	-	-	-	-	-	6.5	Jan-25
Blmbg. U.S. Corporate 1-3 Year Index			*1.2*	*2.7*	*5.9*	-	-	-	-	-	-	-	-	*5.9*	
Credit Fixed Income	**736,745,090**	**10.7**	**1.9**	**4.5**	**9.6**	**8.9**	**2.9**	**4.8**	**9.6**	**6.7**	**8.9**	**-14.6**	**11.1**	**2.9**	**Jul-14**
Credit Fixed Income Benchmark			*1.6*	*3.9*	*10.0*	*9.5*	*3.0*	*5.4*	*10.5*	*8.2*	*9.2*	*-15.7*	*12.2*	*3.8*	
KKR US Broadly Syndicated Loan Fund	175,662,390	2.5	1.2	2.7	4.6	-	-	-	-	-	-	-	-	4.6	Oct-24
Morningstar LSTA U.S. Leveraged Loan			*1.2*	*3.0*	*5.9*	-	-	-	-	-	-	-	-	*6.2*	
Guggenheim Structured Credit	191,145,536	2.8	1.5	3.5	-	-	-	-	-	-	-	-	-	3.9	Jun-25
50% Bloomberg Non-Agency CMBS Index, 33.33% Bloomberg ABS Index, 16.67% JPM CL			*0.9*	*2.2*	-	-	-	-	-	-	-	-	-	*3.0*	
Schroders Credit	190,863,167	2.8	1.5	3.5	-	-	-	-	-	-	-	-	-	3.5	Jun-25
50% Bloomberg Non-Agency CMBS Index, 33.33% Bloomberg ABS Index, 16.67% JPM CL			*0.9*	*2.2*	-	-	-	-	-	-	-	-	-	*2.8*	
PIMCO EMD	179,073,997	2.6	3.4	8.4	16.8	10.9	2.5	-	11.8	5.6	11.3	-19.2	8.7	3.1	Feb-20
JPM EMBI Global Diversified			*3.3*	*8.2*	*14.3*	*10.6*	*1.8*	-	*10.0*	*9.2*	*7.4*	*-21.2*	*7.5*	*2.1*	
Commodities	**349,228,020**	**5.1**	**6.8**	**12.6**	**20.3**	**9.0**	**12.5**	**8.0**	**5.9**	**13.7**	**-7.0**	**19.3**	**42.5**	**2.1**	**Jul-13**
Bloomberg Commodity Index Total Return			*5.8*	*9.7*	*15.8*	*4.0*	*10.6*	*5.7*	*5.8*	*5.0*	*-9.6*	*24.3*	*45.6*	*0.8*	
Wellington Commodities	349,228,020	5.1	6.8	12.6	20.3	10.0	12.7	9.0	5.8	15.5	-5.2	17.2	40.2	2.9	Sep-13
S&P GSCI Commodity Equal Weighted			*5.4*	*11.3*	*17.3*	*6.9*	*11.4*	*7.8*	*4.8*	*10.4*	*-6.0*	*19.0*	*40.9*	*2.4*	
Hedge Funds	**690,626,501**	**10.0**	**1.8**	**4.1**	**7.1**	**8.1**	**7.3**	**7.1**	**8.2**	**8.9**	**7.0**	**3.4**	**16.1**	**6.0**	**Jun-13**
75% (3 Month T-Bill + 3%) + 25% MSCI ACWI Net			*2.1*	*5.4*	*11.0*	*11.1*	*7.7*	*7.0*	*10.0*	*11.4*	*9.4*	*-1.7*	*11.4*	*6.3*	
Aristeia International Limited	81,923,764	1.2	0.7	2.8	6.9	6.3	5.6	8.1	6.9	5.1	5.5	1.8	21.6	5.4	May-14
Brevan Howard Fund	60,374,039	0.9	0.5	1.4	0.9	1.5	5.0	7.0	6.3	3.1	-1.0	15.2	6.1	6.6	Sep-13
D.E. Shaw Composite Fund	77,704,657	1.1	5.9	10.3	18.9	15.6	18.8	15.4	19.3	12.9	11.0	29.0	19.0	14.8	Jul-13
HBK Fund II	56,954,410	0.8	1.6	4.2	8.9	8.8	7.7	6.6	9.3	11.1	7.9	2.3	11.0	5.6	Nov-13
Hudson Bay Cap Structure Arbitrage Enhanced Fund	89,372,360	1.3	1.3	3.2	7.9	5.9	7.2	-	8.6	4.0	7.7	7.7	14.2	9.4	Jun-19
Indus Pacific Opportunities Fund	56,254,080	0.8	0.0	1.3	11.3	6.2	3.8	6.6	13.1	5.8	-0.4	-8.2	38.0	7.0	Jul-14
Pharo Macro Fund	89,672,311	1.3	6.4	8.7	17.5	12.9	3.5	-	16.2	12.7	1.2	-11.1	3.5	5.3	Dec-19
PIMCO Commodity Alpha Fund	77,148,771	1.1	-2.7	1.7	-8.8	7.0	8.0	-	-8.1	15.6	18.3	8.6	14.2	9.0	Jun-16
Elliott Associates	50,968,385	0.7	2.4	3.8	7.2	-	-	-	5.5	-	-	-	-	6.2	Jul-24
Hawk Ridge Partners II	50,253,725	0.7	1.4	-	-	-	-	-	-	-	-	-	-	0.5	Aug-25
Alpha Pool	**166,284,295**	**2.4**	**2.1**	**4.4**	**8.5**	**3.1**	**3.4**	**-**	**6.2**	**0.7**	**-0.9**	**1.5**	**14.5**	**4.7**	**Jul-20**
3-Month Treasury Bill +3%			*1.7*	*3.6*	*7.3*	*8.0*	*6.3*	-	*7.8*	*8.6*	*6.7*	*3.2*	*3.1*	*6.0*	
Hudson Bay - Alpha Pool	40,692,870	0.6	1.3	2.9	6.5	0.8	3.1	-	5.7	-2.8	-1.1	6.7	-	4.2	Aug-20
Davidson Kempner Institutional Partners	58,922,704	0.9	2.2	5.0	9.7	3.8	2.6	-	8.0	1.2	-4.1	-3.4	-	2.9	Dec-20
HBK Fund II	21,129,924	0.3	1.6	3.8	7.5	3.7	3.6	-	6.4	4.0	-1.0	1.3	-	3.8	Dec-20
Garda Fixed Income Relative Value Opportunity Fund	45,538,796	0.7	3.1	5.2	9.2	4.2	-	-	4.2	1.8	3.6	-	-	4.7	Sep-21
Midstream Energy	**119,453,547**	**1.7**	**-1.7**	**-0.9**	**5.0**	**18.3**	**22.2**	**-**	**21.6**	**29.8**	**19.3**	**9.3**	**-**	**23.9**	**Sep-20**
Alerian Midstream Energy Index			*-1.4*	*-0.1*	*5.0*	*20.0*	*23.8*	-	*30.8*	*26.7*	*12.2*	*11.4*	-	*23.8*	
Harvest Midstream	76,532,911	1.1	-1.3	-0.8	5.2	20.8	26.2	-	23.3	35.9	20.9	15.3	-	28.4	Aug-20
Alerian Midstream Energy Index			*-1.4*	*-0.1*	*5.0*	*20.0*	*23.8*	-	*30.8*	*26.7*	*12.2*	*11.4*	-	*23.4*	
PIMCO Midstream	42,920,636	0.6	-1.5	0.0	5.2	15.9	17.5	-	19.3	23.6	16.9	2.2	-	19.7	Oct-20
50/25/25 Alerian Midstream/ ICE BofA US Pipeline/ ICE BofA US HY Midstream			*-0.4*	*1.4*	*5.7*	*14.0*	*13.3*	-	*18.6*	*17.6*	*10.1*	*-0.7*	-	*14.9*	

Policy Index: 33% MSCI ACWI IMI (Net), 27% Fixed Income Blend - 17% Core (9% Bloomberg US Aggregate Index, 3% ICE BofAML 7-10 Year US Treasury Index, 4% Bloomberg US Corporate Credit 1-3 Year Index). 10% Credit (5% Securitized (2.5% Bloomberg Non-Agency CMBS Index; 1.67% Bloomberg ABS Index; 0.83% J.P. Morgan CLOIE AAA Index) 2.5% Morningstar LSTA Leverage Loan Index. 2.5% Emerging Market Debt (2.5% JPM EMBI Global Div - Hard currency only, 4% Bloomberg Commodity Index, 10% Hedge fund (7.5% 3-Month T-bill + 3%, 2.5% MSCI ACWI (Net)), 2.5% 3-Month T-Bill + 3%, 5% Alerian Midstream Energy Index, 6% NCREIF-ODCE Net Monthly, 5% actual timeweighted Private Equity Returns, 6% actual time-weighted Private Credit Returns*, 4% actual time-weighted Private Real Estate Returns*, 0% Assumed Rate of Return +3%, -2.5% 3-Month T-bill. Fixed Income Beta Exposure return includes overlay cash and an implied hurdle rate also applied to the Alpha pool. Hedge fund data sourced from Albourne. Blue Owl Real Estate Fund VI estimated return is 3.5%*

Verus

Total Fund
Performance (Net of Fees)

Kern County Employees' Retirement Association
Period Ending: December 31, 2025

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2021	Inception	Inception Date
Core Real Estate	**421,568,570**	**6.1**	**2.2**	**4.9**	**9.5**	**-7.2**	**0.0**	**2.4**	**4.5**	**-20.2**	**-12.4**	**24.8**	**5.6**	**3.8**	**Oct-14**
NCREIF ODCE (Net)			*0.7*	*1.2*	*2.9*	*-4.3*	*2.5*	*3.9*	*2.7*	*-10.0*	*-10.7*	*28.3*	*7.1*	*4.9*	
ASB Allegiance Real Estate Fund	113,715,161	1.7	0.8	1.9	4.8	-11.0	-2.3	1.0	2.8	-23.9	-13.3	23.0	5.4	3.3	Sep-13
NCREIF ODCE			*0.7*	*1.2*	*2.9*	*-4.3*	*2.5*	*3.9*	*2.7*	*-10.0*	*-10.7*	*28.3*	*7.1*	*5.4*	
JPMCB Strategic Property Fund	90,500,718	1.3	1.1	1.9	3.8	-5.0	1.3	3.2	3.9	-14.9	-11.4	27.9	5.9	4.4	Jul-14
NCREIF ODCE			*0.7*	*1.2*	*2.9*	*-4.3*	*2.5*	*3.9*	*2.7*	*-10.0*	*-10.7*	*28.3*	*7.1*	*5.1*	
Blue Owl Real Estate Fund VI	52,933,164	0.8	3.5	11.0	32.4	-	-	-	12.0	-	-	-	-	5.1	May-24
NCREIF ODCE			*0.7*	*1.2*	*2.9*	-	-	-	*2.7*	-	-	-	-	*1.9*	
Sculptor Diversified REIT	82,553,001	1.2	5.5	11.3	15.3	-	-	-	-	-	-	-	-	11.5	Dec-24
NCREIF ODCE			*0.7*	*1.2*	*2.9*	-	-	-	-	-	-	-	-	*3.5*	
Hudson Bay Real Estate Opportunities	38,445,468	0.6	2.9	6.0	11.0	-	-	-	-	-	-	-	-	11.0	Jan-25
NCREIF ODCE			*0.7*	*1.2*	*2.9*	-	-	-	-	-	-	-	-	*2.9*	
TPG AG Essential Housing III	25,236,339	0.4	3.1	6.2	11.0	-	-	-	-	-	-	-	-	10.3	Dec-24
NCREIF ODCE			*0.7*	*1.2*	*2.9*	-	-	-	-	-	-	-	-	*3.6*	
BPC Real Estate Debt Fund LP	18,184,719	0.3	1.2	4.7	-	-	-	-	-	-	-	-	-	13.6	Mar-25
NCREIF ODCE			*0.7*	*1.2*	-	-	-	-	-	-	-	-	-	*2.9*	
Private Real Assets	**284,442,820**	**4.1**	**2.5**	**5.4**	**6.3**	**0.5**	**9.5**	**8.0**	**0.4**	**-6.4**	**7.9**	**38.8**	**9.6**	**10.8**	**Mar-11**
			2.5	*5.4*	*6.3*	*0.5*	*9.5*	*8.0*	*0.4*	*-6.4*	*7.9*	*38.8*	*9.6*	*10.5*	
Private Equity	**386,918,517**	**5.6**	**2.4**	**7.7**	**13.1**	**10.9**	**13.1**	**10.9**	**9.1**	**11.9**	**-0.6**	**21.5**	**41.9**	**11.0**	**Sep-10**
			2.4	*7.7*	*13.1*	*10.9*	*13.1*	*10.9*	*9.1*	*11.9*	*-0.6*	*21.5*	*41.9*	*10.9*	
Private Credit	**439,059,768**	**6.4**	**1.6**	**5.0**	**10.7**	**10.7**	**7.3**	**7.9**	**9.7**	**13.1**	**3.2**	**0.3**	**4.8**	**7.9**	**Jan-16**
			1.6	*5.0*	*10.7*	*10.7*	*7.3*	*7.9*	*9.7*	*13.1*	*3.2*	*0.3*	*4.8*	*7.9*	
Opportunistic	**161,003,468**	**2.3**	**4.1**	**9.9**	**18.4**	**12.1**	**12.7**	**-**	**18.4**	**2.9**	**0.6**	**-5.4**	**60.3**	**11.0**	**Jan-20**
Assumed Rate of Return +3%			*2.4*	*4.9*	*10.0*	*10.0*	*10.0*	-	*10.0*	*10.0*	*10.0*	*10.0*	*10.0*	*10.0*	
Sixth Street TAO Partners (D)	70,299,854	1.0	4.6	9.8	14.3	12.0	13.7	-	8.3	11.3	4.4	9.6	39.6	13.9	Mar-20
Assumed Rate of Return +3%			*2.4*	*4.9*	*10.0*	*10.0*	*10.0*	-	*10.0*	*10.0*	*10.0*	*10.0*	*10.0*	*10.0*	
Aristeia Select Opportunities II	63,615,422	0.9	2.0	7.9	23.1	9.3	-	-	35.1	-9.7	-7.2	-	-	5.6	Jul-21
Assumed Rate of Return +3%			*2.4*	*4.9*	*10.0*	*10.0*	-	-	*10.0*	*10.0*	*10.0*	*10.0*	-	*10.0*	
Hudson Bay Special Opportunities Fund LP	12,568,393	0.2	8.7	3.5	7.2	-	-	-	65.0	-	-	-	-	45.6	Feb-24
Assumed Rate of Return +3%			*2.4*	*4.9*	*10.0*	-	-	-	*10.0*	-	-	-	-	*10.0*	
Pharo Opportunities Fund SPC	13,960,900	0.2	6.9	17.8	31.0	-	-	-	18.5	-	-	-	-	24.7	Jun-24
Assumed Rate of Return +3%			*2.4*	*4.9*	*10.0*	-	-	-	*10.0*	-	-	-	-	*10.0*	
BPC Real Estate Debt Fund Co-Investment	558,899	0.0	0.9	-	-	-	-	-	-	-	-	-	-	0.9	Aug-25
Assumed Rate of Return +3%			*2.4*	-	-	-	-	-	-	-	-	-	-	*4.1*	
Cash	**166,604,535**	**2.4**	**1.0**	**2.4**	**4.7**	**5.0**	**3.2**	**2.7**	**5.2**	**6.3**	**2.5**	**-0.2**	**0.1**	**2.1**	**Apr-11**
3 Month T-Bill			*1.0*	*2.1*	*4.2*	*4.8*	*3.2*	*2.2*	*4.7*	*5.4*	*3.6*	*0.2*	*0.1*	*1.5*	

Policy Index: 33% MSCI ACWI IMI (Net), 27% Fixed Income Blend - 17% Core (9% Bloomberg US Aggregate Index, 3% ICE BofAML 7-10 Year US Treasury Index, 4% Bloomberg US Corporate Credit 1-3 Year Index). 10% Credit (5% Securitized (2.5% Bloomberg Non-Agency CMBS Index; 1.67% Bloomberg ABS Index; 0.83% J.P. Morgan CLOIE AAA Index) 2.5% Morningstar LSTA Leverage Loan Index. 2.5% Emerging Market Debt (2.5% JPM EMBI Global Div - Hard currency only, 4% Bloomberg Commodity Index, 10% Hedge fund (7.5% 3-Month T-bill + 3%, 2.5% MSCI ACWI (Net)), 2.5% 3-Month T-Bill + 3%, 5% Alerian Midstream Energy Index, 6% NCREIF-ODCE Net Monthly, 5% actual timeweighted Private Equity Returns, 6% actual time-weighted Private Credit Returns*, 4% actual time-weighted Private Real Estate Returns*, 0% Assumed Rate of Return +3%, -2.5% 3-Month T-bill. Fixed Income Beta Exposure return includes overlay cash and an implied hurdle rate also applied to the Alpha pool. Hedge fund data sourced from Albourne. Blue Owl Real Estate Fund VI estimated return is 3.5%*

Vintage Year	Manager/Fund	Estimated Market Value as of 12/31/25	IRR Analysis as of IRR date: Total Commitment	Capital Called	% Called	Remaining Commitment	Capital Returned	Market Value as of IRR date	Distrib./ Paid-In (DPI)[1]	Tot. Value/ Paid-In (TVPI)[2]	Net IRR Since Inception[3]	IRR Date
Private Equity												
2008	Abbott Capital PE VI	$6,810,805	$50,000,000	$50,000,000	100%	$0	$88,511,543	$8,404,721	*1.77x*	*1.91x*	*21.8%*	09/30/25
2006	Pantheon Global III	$535,597	$50,000,000	$47,300,000	95%	$2,700,000	$52,000,000	$537,225	*1.10x*	*1.11x*	*1.9%*	12/31/24
2002	Pantheon USA V	$30,817	$25,000,000	$24,350,000	97%	$650,000	$38,291,224	$30,817	*1.57x*	*1.57x*	*9.0%*	12/31/24
2004	Pantheon USA VI	$311,635	$35,000,000	$33,075,000	95%	$1,925,000	$50,623,827	$311,850	*1.53x*	*1.54x*	*6.7%*	12/31/24
2006	Pantheon USA VII	$3,043,333	$50,000,000	$46,600,000	93%	$3,400,000	$83,779,998	$3,169,277	*1.80x*	*1.86x*	*10.0%*	09/30/25
2020	Vista Foundation Fund IV	$25,048,003	$25,000,000	$21,842,032	87%	$3,157,968	$30,252	$24,555,927	*0.00x*	*1.15x*	*7.0%*	09/30/25
2021	Crown Global Secondaries V Master S.C.Sp	$41,765,834	$50,000,000	$34,500,000	69%	$15,500,000	$9,900,000	$41,765,834	*0.29x*	*1.50x*	*18.1%*	12/31/25
2021	Brighton Park Capital Fund I	$40,398,871	$30,000,000	$30,000,000	100%	$0	$5,134,479	$44,516,784	*0.17x*	*1.52x*	*12.3%*	09/30/25
2021	Warren Equity Partners Fund III	$41,188,703	$32,500,000	$29,582,245	91%	$2,917,755	$1,568,742	$40,151,928	*0.05x*	*1.45x*	*11.3%*	09/30/25
2021	Peak Rock Capital Fund III	$31,070,989	$30,000,000	$26,597,930	89%	$3,402,070	$11,441,579	$29,089,927	*0.43x*	*1.60x*	*27.6%*	09/30/25
2021	Level Equity Growth Partners V	$17,013,596	$15,000,000	$12,838,118	86%	$2,161,882	$2,393	$14,907,797	*0.00x*	*1.33x*	*14.0%*	09/30/25
2021	Level Equity Opportunities Fund 2021	$16,635,402	$15,000,000	$9,737,446	65%	$5,262,554	$0	$12,737,184	*0.00x*	*1.71x*	*18.7%*	09/30/25
2022	Linden Capital Partners V LP	$24,256,654	$22,500,000	$20,782,237	92%	$1,717,763	$0	$23,354,728	*0.00x*	*1.17x*	*8.0%*	09/30/25
2022	Rubicon Technology Partners IV LP	$16,818,206	$30,000,000	$14,799,271	49%	$15,200,729	$0	$16,331,450	*0.00x*	*1.14x*	*6.0%*	09/30/25
2022	OrbiMed Private Investments IX, LP	$6,714,765	$10,000,000	$5,849,201	58%	$4,150,799	$1,098,661	$6,714,765	*0.19x*	*1.34x*	*38.2%*	12/31/25
2022	Brighton Park Capital Fund II	$18,592,432	$30,000,000	$20,646,147	69%	$9,353,853	$3,722,467	$17,690,521	*0.18x*	*1.08x*	*1.1%*	09/30/25
2022	Linden Co-Investment V LP	$9,429,334	$7,500,000	$9,657,986	129%	-$2,157,986	$55,503	$10,251,573	*0.01x*	*0.98x*	*18.5%*	09/30/25
2022	Warren Equity Partners Fund IV	$34,515,771	$32,500,000	$15,552,322	48%	$16,947,678	$806,265	$26,636,789	*0.05x*	*2.27x*	*22.8%*	09/30/25
2023	WEP Co-Invest IV	$11,677,734	$10,000,000	$9,757,415	98%	$242,585	$173,170	$10,850,350	*0.02x*	*1.21x*	*10.0%*	09/30/25
2023	Crown Global Secondaries Fund VI	$10,877,004	$30,000,000	$7,950,000	27%	$22,050,000	$0	$10,715,105	*0.00x*	*1.37x*	*42.7%*	12/31/25
2023	Parthenon Investors VII	$9,851,806	$30,000,000	$13,996,647	47%	$16,003,353	$392,741	N/A	*0.03x*	*0.73x*	*N/A*	N/A
2024	Longreach Capital Partners	$3,910,200	$15,000,000	$4,465,943	30%	$10,534,057	$421,772	$6,970,856	*0.09x*	*0.97x*	*8.4%*	09/30/25
2024	Blue Owl Strategic Equity	$5,354,476	$25,000,000	$6,919,636	28%	$18,080,364	$5,856,633	N/A	*0.85x*	*1.62x*	*N/A*	N/A
2025	WEP IV TreeCo Co-Invest	$4,562,927	$5,000,000	$3,866,955	77%	$1,133,045	$0	N/A	*0.00x*	*1.18x*	*N/A*	N/A
2025	Accel-KKR Capital Partners VII	$3,431,514	$25,000,000	$1,947,529	8%	$23,052,471	$0	N/A	*0.00x*	*1.76x*	*N/A*	N/A
2025	Petershill PES II	$313,903	$25,000,000	$313,903	1%	$24,686,097	$0	N/A	*0.00x*	*1.00x*	*N/A*	N/A
2025	Blue Owl Strategic Equity Holdco LLC	$31,250	$25,000,000	$31,250	0%	$24,968,750	$0	N/A	*0.00x*	*1.00x*	*N/A*	N/A
2026	Level Equity Growth Partners VI	$2,726,955	$15,000,000	$0	0%	$15,000,000	$0	N/A	*N/A*	N/A	*N/A*	N/A
2026	Level Equity Opportunities Fund 2025	$0	$15,000,000	$0	0%	$15,000,000	$0	N/A	*N/A*	N/A	*N/A*	N/A
2026	Linden Capital Partners VI	$0	$30,000,000	$0	0%	$30,000,000	$0	N/A	*N/A*	N/A	*N/A*	N/A
	Total Private Equity	**$386,918,517**	$790,000,000	$502,959,212	64%	$287,040,788	$353,811,250	$349,695,407	*0.70x*	*1.47x*		
	% of Portfolio (Market Value)	***5.6%***										

[1](DPI) is equal to (capital returned / capital called)
[2](TVPI) is equal to (market value + capital returned) / capital called
[3]Net IRR is calculated on the cash flows of all the limited partners of the fund and is net of all fees. Each IRR is provided by the Fund manager and is reflective of the Fund IRR, rather than KCERA's specific IRR.

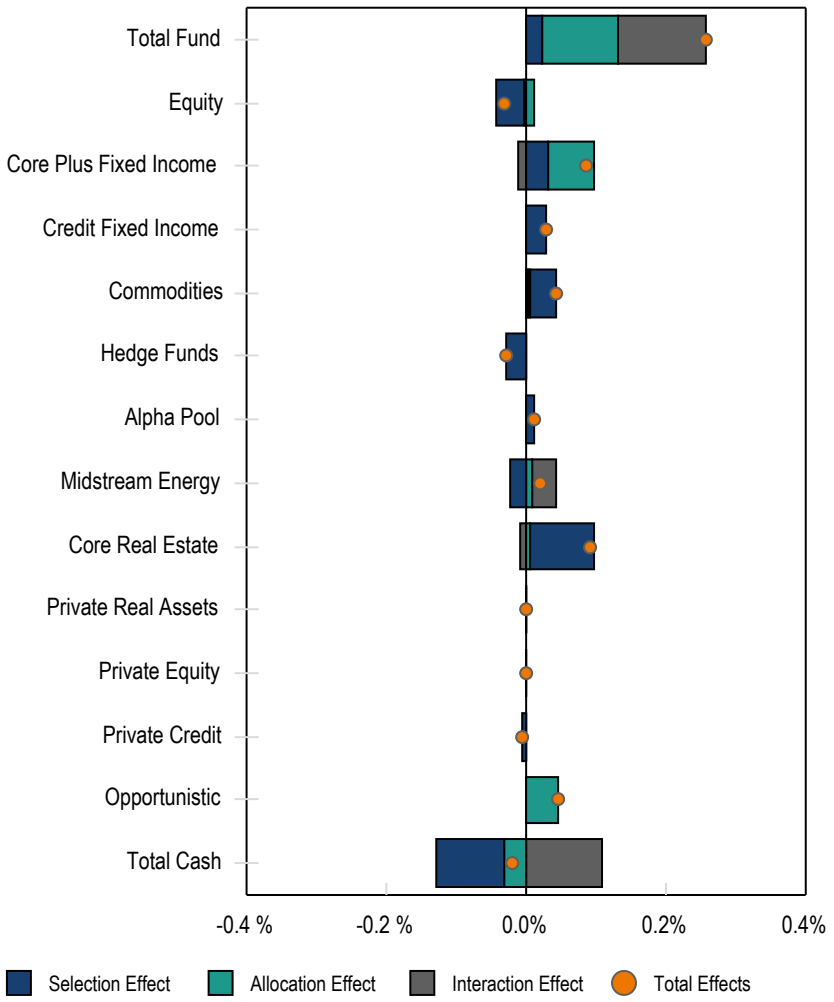
Vintage Year	Manager/Fund	Estimated Market Value 12/31/2025	IRR Analysis as of IRR date: Total Commitment	Capital Called	% Called	Remaining Commitment	Capital Returned	Market Value as of IRR date	Distrib./ Paid-In (DPI)[1]	Tot. Value/ Paid-In (TVPI)[2]	Net IRR Since Inception[3]	IRR Date
Private Credit												
2015	DC Value Recovery Fund IV[4]	$9,067,092	$74,360,749	$73,340,099	99%	$1,020,650	$45,767,289	N/A	*0.62x*	*0.75x*	*N/A*	*N/A*
2017	Sixth Street TAO Partners (B)	$45,221,664	$108,035,958	$94,131,536	87%	$13,904,422	$53,224,785	$50,428,470	*0.57x*	*1.05x*	*10.5%*	9/30/25
2017	Brookfield Real Estate Finance Fund V	$5,479,891	$50,000,000	$39,260,948	79%	$10,739,052	$39,028,369	$5,490,556	*0.99x*	*1.13x*	*4.0%*	9/30/25
2018	Magnetar Constellation Fund V	$9,475,877	$60,000,000	$56,445,318	94%	$3,554,682	$58,937,637	$9,475,877	*1.04x*	*1.21x*	*5.1%*	12/31/25
2019	H.I.G Bayside Loan Opportunity Fund V	$34,092,554	$60,000,000	$36,671,764	61%	$23,328,236	$34,839,216	$38,098,948	*0.95x*	*1.88x*	*14.4%*	9/30/25
2020	Blue Torch Credit Opportunities Fund II	$12,117,021	$20,000,000	$17,296,007	86%	$2,703,993	$8,935,024	$13,114,375	*0.52x*	*1.22x*	*8.9%*	9/30/25
2020	Fortress Credit Opportunites Fund V Expansion	$32,514,475	$40,000,000	$32,853,973	82%	$7,146,027	$6,090,535	$32,782,118	*0.19x*	*1.18x*	*16.3%*	9/30/25
2021	Fortress Lending Fund II	$11,959,443	$40,000,000	$35,322,373	88%	$4,677,627	$32,177,672	$13,646,664	*0.91x*	*1.25x*	*8.7%*	9/30/25
2022	Blue Torch Credit Opportunities Fund III	$35,822,237	$40,000,000	$40,000,000	100%	$0	$16,076,673	$35,071,291	*0.40x*	*1.30x*	*16.5%*	9/30/25
2022	Fortress Lending Fund III	$20,780,748	$40,000,000	$27,538,798	69%	$12,461,202	$11,994,375	$22,840,023	*0.44x*	*1.19x*	*11.4%*	9/30/25
2022	OrbiMed Royalty & Credit Opportunities IV	$14,592,143	$30,000,000	$18,433,980	61%	$11,566,020	$4,594,099	$14,592,143	*0.25x*	*1.04x*	*14.2%*	12/31/25
2023	Cerberus Business Finance V	$27,755,298	$30,000,000	$25,055,642	84%	$4,944,358	$5,538,357	$24,829,655	*0.22x*	*1.33x*	*17.1%*	11/30/25
2023	Silver Point – Specialty Credit Fund III	$13,872,317	$30,000,000	$21,510,452	72%	$8,489,548	$10,989,619	$12,617,520	*0.51x*	*1.16x*	*15.2%*	9/30/25
2023	Ares Pathfinder II	$17,605,164	$30,000,000	$13,569,391	45%	$16,430,609	$0	$17,605,164	*0.00x*	*1.30x*	*15.7%*	12/31/25
2023	Oak Hill Advisors Structured Products Fund III, L.P.	$19,963,374	$25,000,000	$16,098,626	64%	$8,901,374	$1,127,312	$18,247,564	*0.07x*	*1.31x*	*11.9%*	9/30/25
2023	Ares Senior Direct Lending III	$11,661,333	$30,000,000	$8,370,419	28%	$21,629,581	$747,809	$8,609,478	*0.09x*	*1.48x*	*19.3%*	9/30/25
2024	ITE Rail Fund, L.P.	$41,702,227	$40,000,000	$34,296,307	86%	$5,703,693	$1,614,150	N/A	*0.05x*	*1.26x*	*N/A*	N/A
2024	HPS Special Situations Opportunity Fund II, L.P.	$11,676,034	$25,000,000	$10,693,453	57%	$14,306,547	$0	$11,341,741	*0.00x*	*1.09x*	*13.9%*	9/30/25
2024	Castlelake Aviation V Stable Yield	$5,844,577	$30,000,000	$3,784,265	13%	$26,215,735	$596,816	$5,511,269	*0.16x*	*1.70x*	*43.0%*	9/30/25
2025	Fortress Credit Opportunities Fund VI	$10,632,544	$25,000,000	$319,933	1%	$24,680,067	$1,377,629	$9,511,997	*4.31x*	*37.54x*	*17.8%*	9/30/25
2025	Quantum Capital Solutions II	$14,751,050	$39,600,000	$8,215,816	21%	$31,384,184	$140,416	$10,627,372	*0.02x*	*1.81x*	*9.0%*	9/30/25
2025	Quantum Capital Solutions II Co-Investment Fund, LP	$2,922,954	$7,900,000	$1,557,810	20%	$6,342,190	$28,012	N/A	*0.02x*	*1.89x*	*N/A*	N/A
2025	Blue Torch Credit Opportunities Fund IV	$5,830,933	$25,000,000	$5,671,878	23%	$19,328,122	$0	$3,808,436	*0.00x*	*1.03x*	*16.9%*	9/30/25
2025	OrbiMed Royalty & Credit Opportunities V	$1,500,000	$30,000,000	$1,500,000	5%	$28,500,000	$0	N/A	*0.00x*	*1.00x*	*N/A*	*N/A*
2025	Fortress Legal Assets Fund II	$5,268,818	$40,000,000	$5,268,818	13%	$34,731,182	$0	N/A	*0.00x*	*1.00x*	*N/A*	N/A
2025	TPG AG Asset Based Credit Evergreen Fund	$16,950,000	$30,000,000	$16,950,000	57%	$13,050,000	$0	N/A	*0.00x*	*1.00x*	*N/A*	N/A
	Total Private Credit	**$439,059,768**	$999,896,707	$644,157,603	64%	$171,507,623	$333,825,797	$358,250,662	*0.52x*	*1.20x*		
	% of Portfolio (Market Value)	***6.4%***										

[1](DPI) is equal to (capital returned / capital called)
[2](TVPI) is equal to (market value + capital returned) / capital called
[3]Net IRR is calculated on the cash flows of all the limited partners of the fund and is net of all fees. Each IRR is provided by the Fund manager and is reflective of the Fund IRR, rather than KCERA's specific IRR.
[4]Name changed from Colony Distressed Credit fund to DC Value Recovery Fund IV

Vintage Year	Manager/Fund	Estimated Market Value 12/31/2025	Total Commitment	Capital Called	% Called	Remaining Commitment	Capital Returned	Market Value as of IRR date	Distrib./ Paid-In (DPI)[1]	Tot. Value/ Paid-In (TVPI)[2]	Net IRR Since Inception[3]	IRR Date
				IRR Analysis as of IRR date								
Private Real Assets												
2014	Invesco Real Estate Value-Add Fund IV	$138,195	$50,000,000	$43,637,717	87%	$6,362,283	$56,824,750	$157,969	*1.30x*	*1.31x*	*11.6%*	06/30/24
2017	Landmark Real Estate Partners VIII	$29,628,463	$60,000,000	$46,233,098	77%	$13,766,902	$27,510,293	$31,084,215	*0.60x*	*1.24x*	*11.2%*	06/30/25
2018	Long Wharf Real Estate Partners VI	$26,500,297	$50,000,000	$50,000,000	100%	$0	$25,173,439	$26,500,297	*0.50x*	*1.03x*	*11.1%*	06/30/25
2020	Covenant Apartment Fund X	$25,282,723	$30,000,000	$25,507,333	85%	$4,492,667	$10,513,764	$25,282,723	*0.41x*	*1.40x*	*7.9%*	12/31/25
2021	Singerman Real Estate Opportunity Fund IV	$24,262,068	$35,000,000	$25,952,500	74%	$9,047,500	$5,074,955	$23,667,097	*0.20x*	*1.13x*	*8.5%*	09/30/25
2022	LBA Logistics Value Fund IX, L.P.	$23,387,743	$40,000,000	$20,615,384	52%	$19,384,616	$0	$24,445,081	*0.00x*	*1.13x*	*-2.8%*	09/30/25
2022	Covenant Apartment Fund XI	$31,313,747	$30,000,000	$20,850,000	70%	$38,076,924	$1,518,832	$31,313,747	*0.07x*	*1.57x*	*7.3%*	12/31/25
2022	KSL Capital Partners VI	$8,388,743	$30,000,000	$12,297,630	41%	$17,702,370	$489,911	$8,388,743	*0.04x*	*0.72x*	*-21.3%*	06/30/25
2023	Merit Hill V	$24,186,839	$30,000,000	$31,631,775	105%	-$1,631,774	$7,084,980	$24,584,832	*0.22x*	*0.99x*	*0.0%*	09/30/25
2024	Juniper Capital IV, L.P.	$11,293,956	$30,000,000	$10,658,126	36%	$19,341,874	$59,700	$6,885,930	*0.01x*	*1.07x*	*9.4%*	09/30/25
2024	Juniper High Noon Partners, L.P.	$4,977,860	$5,000,000	$3,309,091	66%	$1,690,909	$0	$3,313,080	*0.00x*	*1.50x*	*46.1%*	12/31/24
2024	Landmark Real Estate Partners IX	$14,702,430	$40,000,000	$13,165,910	33%	$26,834,090	$0	$9,936,719	*0.00x*	*1.12x*	*11.5%*	06/30/25
2024	LRAF Holdings 21 Project Yeti II	$17,308,037	$25,000,000	$18,283,622	73%	$6,716,378	$2,912,633	$13,693,257	*0.16x*	*1.11x*	*11.1%*	06/30/25
2024	Post Oak Energy Partners GP V, LP	$34,388,695	$40,000,000	$39,692,958	99%	$307,042	$9,747,861	$34,388,695	*0.25x*	*1.11x*	*38.6%*	12/31/25
2025	Covenant Apartment Fund XII	$5,297,607	$30,000,000	$3,300,000	11%	$26,700,000	$0	N/A	N/A	N/A	*N/A*	N/A
2025	Sculptor Real Estate V	$3,385,417	$50,000,000	$3,500,067	7%	$46,499,933	$131,570	N/A	N/A	N/A	*N/A*	N/A
2025	SRE Opportunity Fund V	$0	$30,000,000	$0	0%	$30,000,000	$0	N/A	N/A	N/A	*N/A*	N/A
	Total Private Real Assets	**$284,442,820**	$605,000,000	$368,635,211	61%	$265,291,713	$147,042,687	$263,642,385	*0.40x*	*1.17x*		
	% of Portfolio (Market Value)	***4.1%***										

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[2](TVPI) is equal to (market value + capital returned) / capital called
[3]Net IRR is calculated on the cash flows of all the limited partners of the fund and is net of all fees. Each IRR is provided by the Fund manager and is reflective of the Fund IRR, rather than KCERA's specific IRR.

Attribution Effects
Last Three Months



Performance Attribution

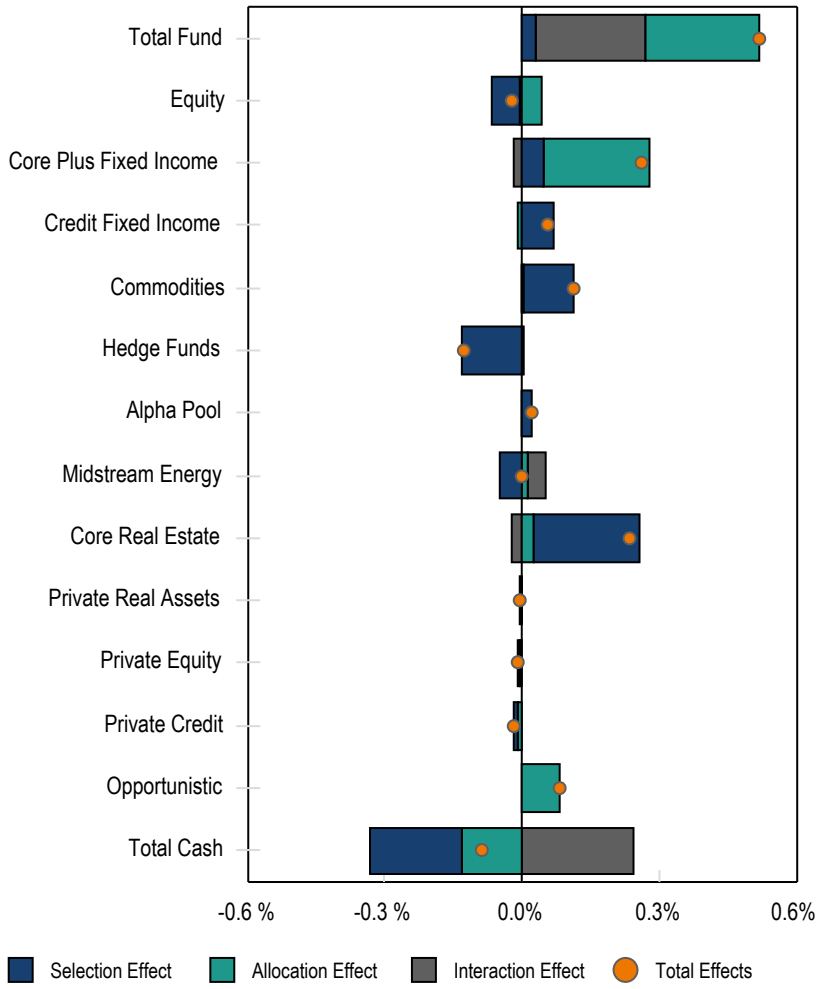
	Last Three Months
Wtd. Actual Return	2.4
Wtd. Index Return	2.2
Excess Return	**0.3**
Selection Effect	0.0
Allocation Effect	0.1
Interaction Effect	0.1

Attribution Summary
Last Three Months

	Actual Weight (%)	Policy Weight (%)	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Equity	33.9	33.0	3.1	3.2	-0.1	0.0	0.0	0.0	0.0
Core Plus Fixed Income	10.8	17.0	1.3	1.1	0.2	0.0	0.1	0.0	0.1
Credit Fixed Income	10.2	10.0	1.9	1.6	0.3	0.0	0.0	0.0	0.0
Commodities	4.1	4.0	6.8	5.8	1.0	0.0	0.0	0.0	0.0
Hedge Funds	10.0	10.0	1.8	2.1	-0.3	0.0	0.0	0.0	0.0
Alpha Pool	2.4	2.5	2.1	1.7	0.4	0.0	0.0	0.0	0.0
Midstream Energy	3.9	5.0	-1.7	-1.4	-0.3	0.0	0.0	0.0	0.0
Core Real Estate	5.6	6.0	2.2	0.7	1.5	0.1	0.0	0.0	0.1
Private Real Assets	4.1	4.0	2.5	2.5	0.0	0.0	0.0	0.0	0.0
Private Equity	5.5	5.0	2.4	2.4	0.0	0.0	0.0	0.0	0.0
Private Credit	6.3	6.0	1.6	1.6	-0.1	0.0	0.0	0.0	0.0
Opportunistic	2.3	0.0	4.1	2.4	1.7	0.0	0.0	0.0	0.0
Total Cash	0.8	-2.5	4.9	1.0	4.0	-0.1	0.0	0.1	0.0
Total Fund	**100.0**	**100.0**	**2.4**	**2.2**	**0.3**	**0.0**	**0.1**	**0.1**	**0.3**

Weighted returns shown in attribution analysis may differ from actual returns. Negative cash allocation unable to be shown in Attribution Summary table. Wtd. Index Returns calculated from benchmark returns and weightings of each component. Selection Effect includes Other Effect in the Performance Attribution table.

Attribution Effects Fiscal YTD



Performance Attribution

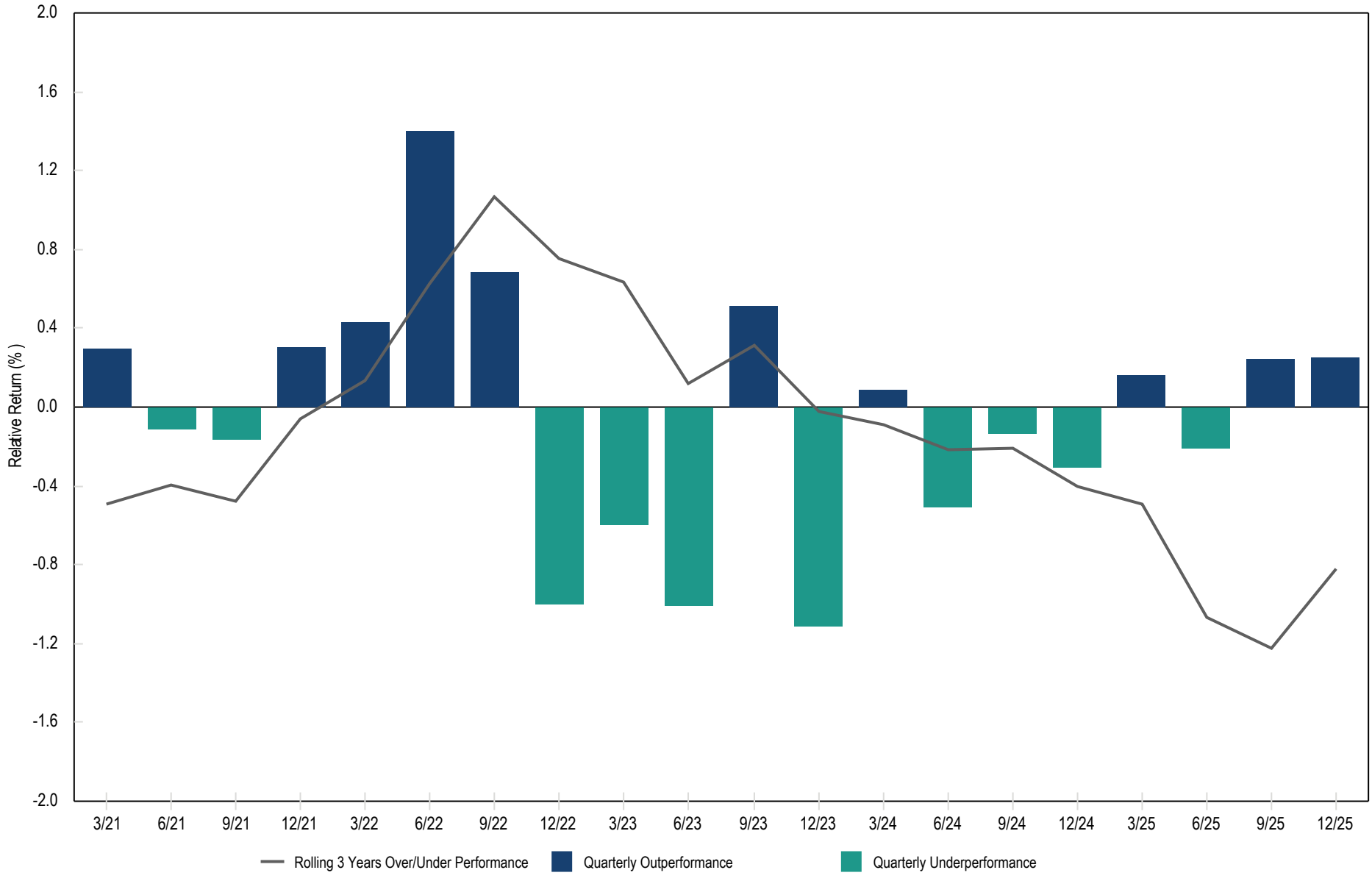
	Fiscal YTD
Wtd. Actual Return	7.0
Wtd. Index Return	6.5
Excess Return	**0.5**
Selection Effect	0.0
Allocation Effect	0.2
Interaction Effect	0.2

Attribution Summary FYTD

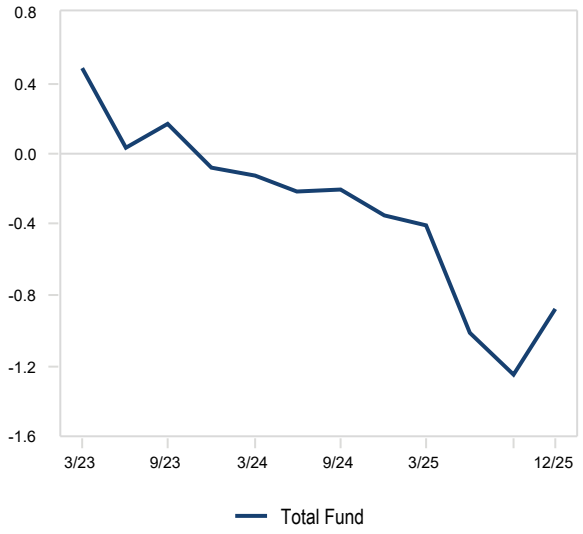
	Actual Weight (%)	Policy Weight (%)	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Equity	33.9	33.0	10.9	11.1	-0.2	-0.1	0.0	0.0	0.0
Core Plus Fixed Income	10.7	17.0	3.2	2.9	0.3	0.1	0.2	0.0	0.3
Credit Fixed Income	10.3	10.0	4.5	3.9	0.7	0.1	0.0	0.0	0.1
Commodities	4.0	4.0	12.6	9.7	2.9	0.1	0.0	0.0	0.1
Hedge Funds	9.8	10.0	4.1	5.4	-1.3	-0.1	0.0	0.0	-0.1
Alpha Pool	2.4	2.5	4.4	3.6	0.8	0.0	0.0	0.0	0.0
Midstream Energy	4.4	5.0	-0.9	-0.1	-0.8	0.0	0.0	0.0	0.0
Core Real Estate	5.5	6.0	4.9	1.2	3.7	0.2	0.0	0.0	0.2
Private Real Assets	4.1	4.0	5.4	5.4	0.0	0.0	0.0	0.0	0.0
Private Equity	5.4	5.0	7.6	7.7	0.0	0.0	0.0	0.0	0.0
Private Credit	6.3	6.0	4.9	5.0	-0.1	0.0	0.0	0.0	0.0
Opportunistic	2.4	0.0	9.9	4.9	5.0	0.0	0.1	0.0	0.1
Total Cash	0.7	-2.5	9.9	2.1	7.9	-0.2	-0.1	0.2	-0.1
Total Fund	**100.0**	**100.0**	**7.0**	**6.5**	**0.5**	**0.0**	**0.2**	**0.2**	**0.5**

Weighted returns shown in attribution analysis may differ from actual returns. Negative cash allocation unable to be shown in Attribution Summary table. Wtd. Index Returns calculated from benchmark returns and weightings of each component. Selection Effect includes Other Effect in the Performance Attribution table.

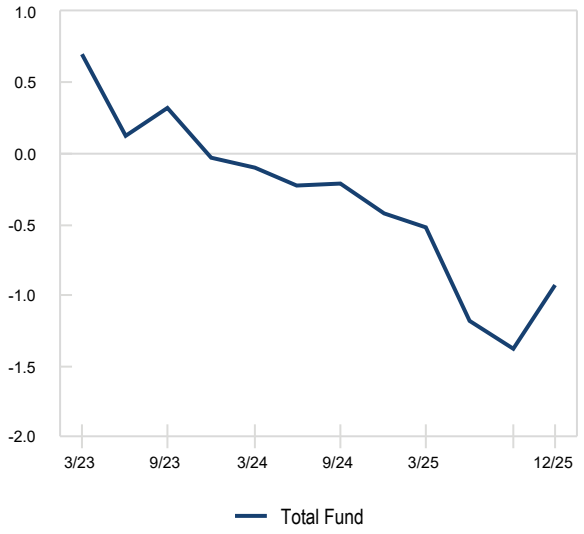
Rolling 3 Year Annualized Excess Performance



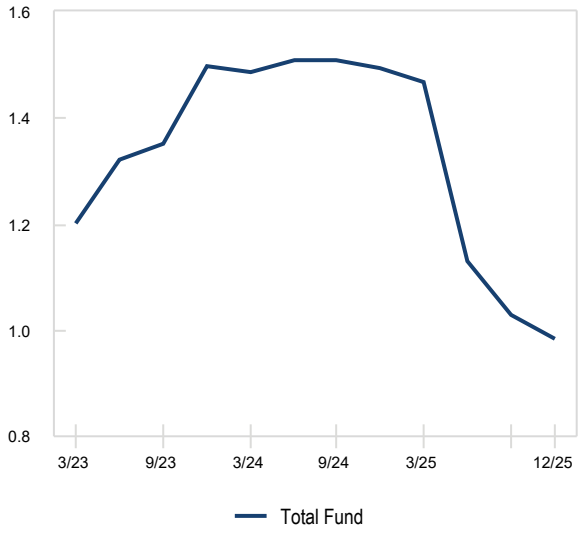
Rolling Information Ratio



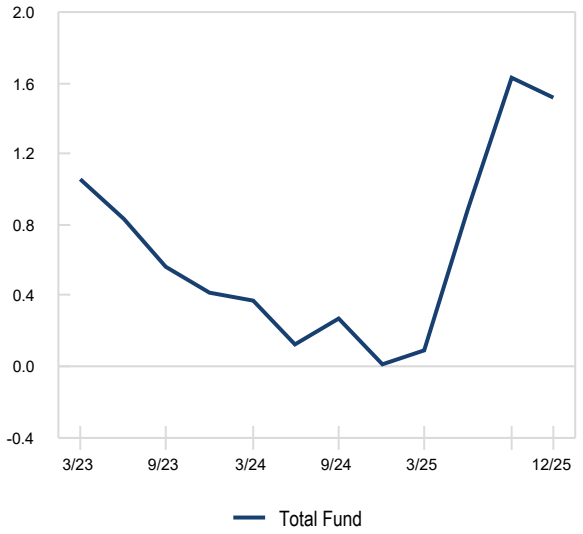
Rolling Annual Excess Benchmark Return



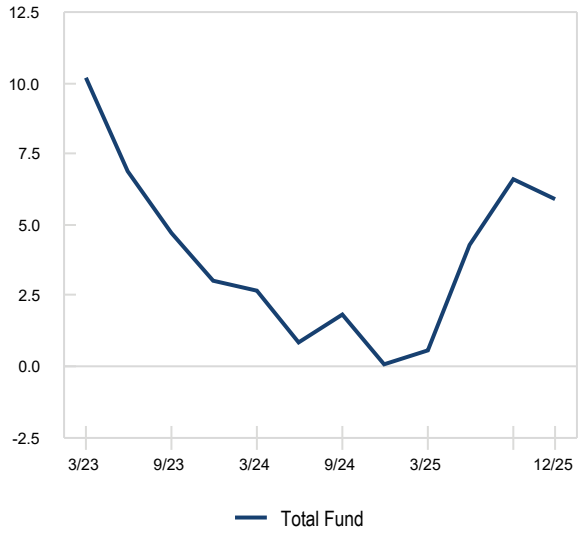
Rolling Tracking Error



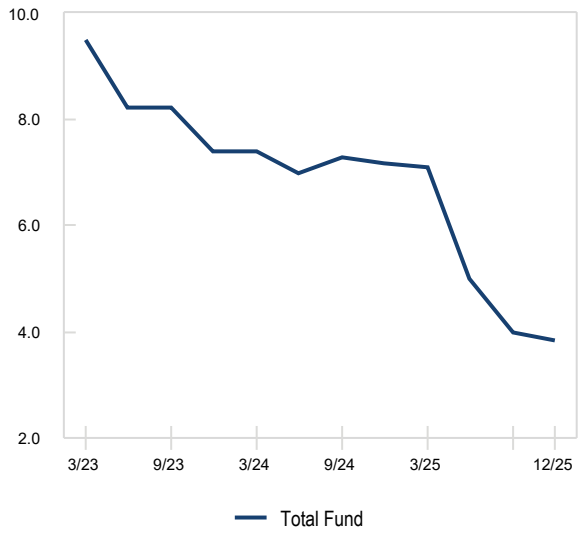
Rolling Sharpe Ratio



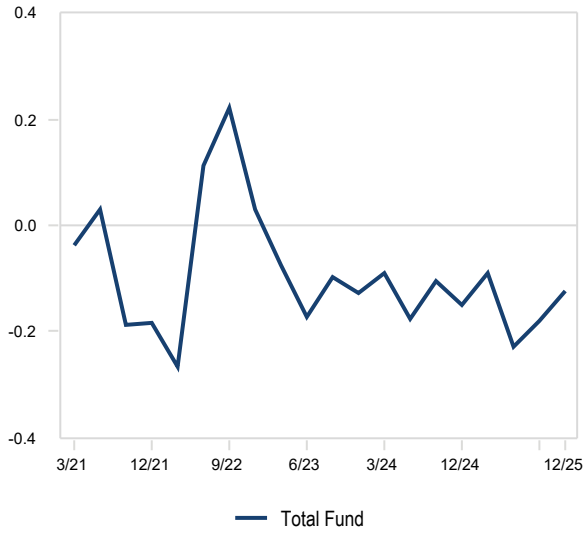
Rolling Annual Excess Risk Free Return



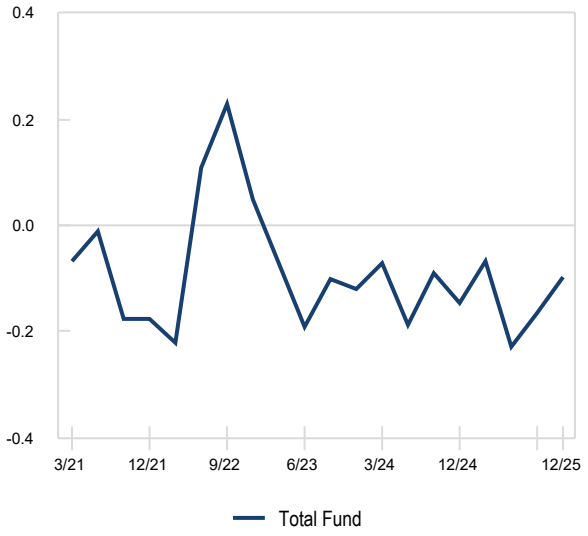
Rolling Annualized Standard Deviation



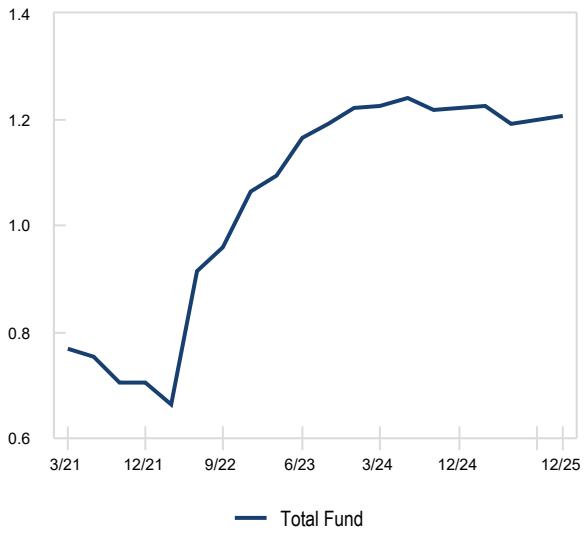
Rolling Information Ratio



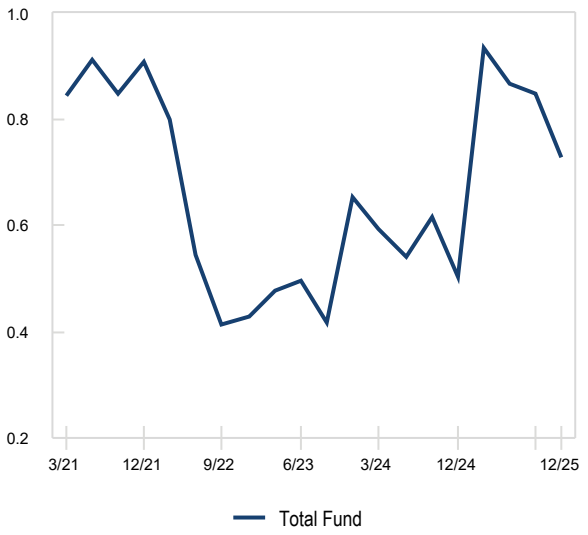
Rolling Annual Excess Benchmark Return



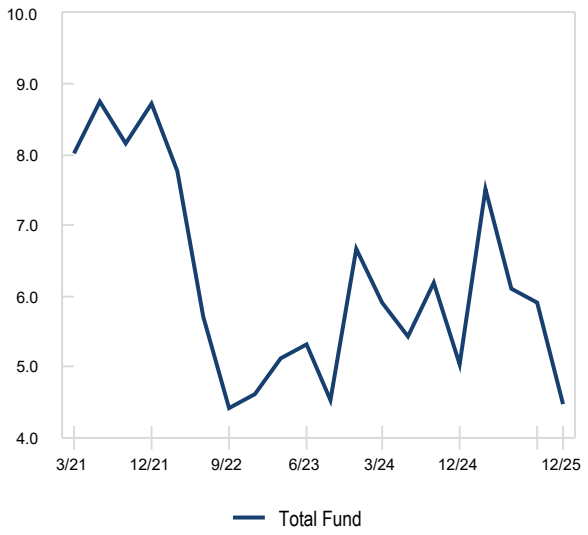
Rolling Tracking Error



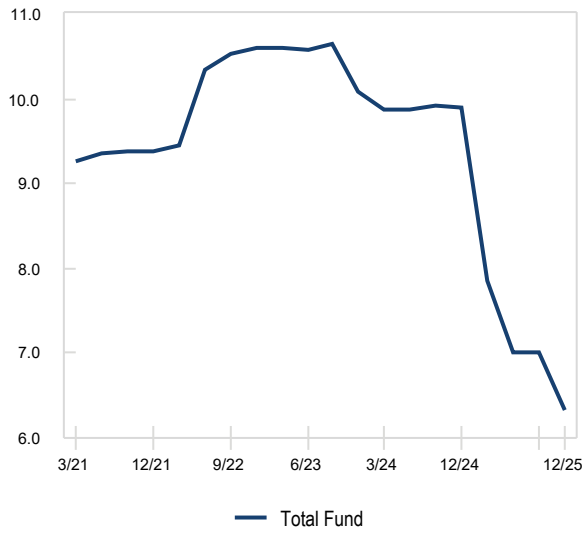
Rolling Sharpe Ratio



Rolling Annual Excess Risk Free Return



Rolling Annualized Standard Deviation



Cash Flows

	Estimated Beginning Market Value	Contributions	Withdrawals	Fees	Net Transfers	Net Investment Change	Estimated Ending Market Value
Equity	**2,304,846,019**			**-278,880**	**-13,150,000**	**71,608,661**	**2,363,025,800**
Mellon DB SL Stock Index Fund	708,686,830				60,000,000	19,033,765	787,720,594
PIMCO StocksPLUS	182,397,714					5,006,069	187,403,783
Chilton High Conviction Equity	203,240,105			-177,835		6,416,689	209,478,959
AB US Small Cap Value Equity	315					-315	
Geneva Capital Small Cap Growth	100,368,221			-57,159	-15,000,000	-542,167	84,768,895
Russell 2000 Overlay	41,375,160				-150,000	868,200	42,093,360
Mellon DB SL World ex-US Index Fund	403,386,908				-25,000,000	20,228,003	398,614,912
Cevian Capital II	57,791,147					4,835,944	62,627,091
Lazard Japanese Equity	176,749,005					2,717,390	179,466,395
American Century Non-US Small Cap	59,058,599				-10,000,000	907,966	49,966,565
Dalton Japan Long Only	93,200,766			-43,886	-8,000,000	-402,280	84,754,601
Mellon Emerging Markets Stock Index Fund	26,186,458				-15,000,000	1,115,063	12,301,521
ABS Emerging Market Direct	86,782,669					3,627,679	90,410,348
Carrhae Capital Long Master Fund Ltd	98,645,219					4,461,075	103,106,294
DFA Emerging Markets Value I	66,974,895					3,335,504	70,310,400
Transition Equity	2,008					75	2,084
Fixed Income	**1,388,417,375**	**35,050,797**	**-129,942**		**56,470,703**	**22,518,648**	**1,502,327,582**
Fixed Income Beta Exposure	99,533,205	35,050,797	-129,942		150,000	1,164,833	135,768,894
Mellon DB SL Aggregate Bond Index Fund	142,634,460				20,000,000	1,638,266	164,272,726
PIMCO Core Plus	188,135,475					3,275,203	191,410,678
Aristotle Short Duration Bond Strategy	270,655,722					3,260,256	273,915,978
KKR US Broadly Syndicated Loan Fund	177,285,827				-3,642,151	2,018,714	175,662,390
Guggenheim Structured Credit	168,578,027				20,000,000	2,567,509	191,145,536
Schroders Credit	168,248,455				20,000,000	2,614,712	190,863,167
PIMCO EMD	173,095,562					5,978,435	179,073,997
Transition Fixed Income	250,641				-37,145	719	214,216
Commodities	**273,822,376**				**55,000,000**	**20,405,644**	**349,228,020**
Wellington Commodities	273,822,376				55,000,000	20,405,644	349,228,020

	Estimated Beginning Market Value	Contributions	Withdrawals	Fees	Net Transfers	Net Investment Change	Estimated Ending Market Value
Hedge Funds	**678,251,707**	**13,585**		**-489,968**		**12,851,177**	**690,626,501**
Aristeia International Limited	81,338,827					584,937	81,923,764
Brevan Howard Fund	60,082,109	13,585				278,344	60,374,039
D.E. Shaw Composite Fund	73,371,015					4,333,642	77,704,657
HBK Fund II	56,046,956					907,454	56,954,410
Hudson Bay Cap Structure Arbitrage Enhanced Fund	88,234,504					1,137,855	89,372,360
Indus Pacific Opportunities Fund	56,256,246					-2,166	56,254,080
Pharo Macro Fund	84,295,620					5,376,691	89,672,311
PIMCO Commodity Alpha Fund	79,309,923					-2,161,152	77,148,771
Elliott Associates	49,760,635			-489,968		1,697,718	50,968,385
Hawk Ridge Partners II	49,555,872					697,853	50,253,725
Alpha Pool	**162,794,253**					**3,490,041**	**166,284,295**
Hudson Bay - Alpha Pool	40,174,784					518,086	40,692,870
Davidson Kempner Institutional Partners	57,652,225					1,270,479	58,922,704
HBK Fund II	20,793,260					336,664	21,129,924
Garda Fixed Income Relative Value Opportunity Fund	44,173,984					1,364,812	45,538,796
Midstream Energy	**332,573,246**				**-209,242,013**	**-3,877,686**	**119,453,547**
Harvest Midstream	211,911,348				-132,618,510	-2,759,927	76,532,911
PIMCO Midstream	120,661,898				-76,623,503	-1,117,759	42,920,636
Core Real Estate	**378,614,646**				**34,473,452**	**8,698,537**	**421,568,570**
ASB Allegiance Real Estate Fund	117,073,782				-4,263,576	904,954	113,715,161
JPMCB Strategic Property Fund	92,749,305				-3,239,853	1,209,331	90,500,718
Blue Owl Real Estate Fund VI	43,312,175				7,883,153	1,737,836	52,933,164
Sculptor Diversified REIT	50,620,629				29,118,487	2,813,885	82,553,001
Hudson Bay Real Estate Opportunities	38,151,263				-780,893	1,075,098	38,445,468
TPG AG Essential Housing III	21,472,857				3,000,000	763,482	25,236,339
BPC Real Estate Debt Fund LP	15,234,634				2,756,134	193,951	18,184,719

	Estimated Beginning Market Value	Contributions	Withdrawals	Fees	Net Transfers	Net Investment Change	Estimated Ending Market Value
Private Real Assets	**278,393,043**				**-884,121**	**6,933,897**	**284,442,820**
Invesco Real Estate Value-Add Fund IV	137,986					209	138,195
Landmark Real Estate Partners VIII	30,401,054				-1,046,641	274,050	29,628,463
Long Wharf Real Estate	33,907,531				-7,333,994	-73,240	26,500,297
Covenant Apartment Fund X	25,796,909				-51,171	-463,015	25,282,723
Singerman Real Estate Opportunity Fund IV	23,667,097				157,500	437,471	24,262,068
LBA Logistics Value Fund IX, L.P.	24,445,081				-984,615	-72,723	23,387,743
Covenant Apartment Fund XI, LP	30,311,391				590,985	411,371	31,313,747
KSL Capital Partners VI	8,263,113				493,216	-367,586	8,388,743
Merit Hill Self-Storage V, LP.	24,584,832				-413,671	15,678	24,186,839
Juniper Capital IV, L.P	6,885,930				4,207,759	200,267	11,293,956
Landmark Real Estate Partners IX	12,274,616				1,609,099	818,716	14,702,430
Juniper High Noon Partners, L.P	4,561,579					416,281	4,977,860
LRAF Holdings 21 Yeti II LP	15,674,993				1,512,500	120,543	17,308,037
Post Oak Energy Partners GP V, LP	33,199,439				-3,769,230	4,958,486	34,388,695
Covenant Apartment Fund XII	3,135,243				2,250,000	-87,636	5,297,607
Sculptor Real Estate Fund V, LP	1,146,251				1,894,143	345,023	3,385,417
Private Equity	**362,771,635**				**15,257,867**	**8,889,015**	**386,918,517**
Abbott VI	8,404,721					-1,593,916	6,810,805
Pantheon Secondary III	535,597						535,597
Pantheon V	30,817						30,817
Pantheon VI	311,635						311,635
Pantheon VII	3,169,277				-250,000	124,056	3,043,333
Vista Foundation Fund IV	24,555,927					492,076	25,048,003
Crown Global Secondaries V Master S.C.Sp	42,591,930				-1,150,000	323,904	41,765,834
Crown Global Secondaries VI Master S.C.Sp	8,805,531				1,800,000	271,473	10,877,004
Brighton Park Capital Fund I	44,516,784				-4,323,972	206,059	40,398,871
Warren Equity Partners Fund III	40,151,928					1,036,775	41,188,703
Peak Rock Capital Fund III	29,089,927				-380,819	2,361,881	31,070,989
Level Equity Growth Partners V	14,907,797				818,169	1,287,630	17,013,596
Level Equity Opportunities Fund 2021	12,737,184				2,824,837	1,073,381	16,635,402
Linden Capital Partners V LP	23,354,728				847,235	54,691	24,256,654
Rubicon Technology Partners IV L.P.	16,331,450					486,756	16,818,206
OrbiMed Private Investments IX, LP	5,103,764				500,000	1,111,001	6,714,765
Brighton Park Capital Fund II, L.P	17,690,521				1,018,122	-116,211	18,592,432

	Estimated Beginning Market Value	Contributions	Withdrawals	Fees	Net Transfers	Net Investment Change	Estimated Ending Market Value
Linden Co-Investment V LP	10,251,573					-822,239	9,429,334
Warren Equity Partners Fund IV	26,636,789				4,842,952	3,036,030	34,515,771
WEP IV TS Co-Investment, L.P.	10,850,350					827,384	11,677,734
Parthenon Investors VII	6,970,856				3,192,637	-311,687	9,851,806
Longreach Capital Partners	3,755,530				145,073	9,598	3,910,200
Blue Owl Strategic Equity Partners	5,511,429					-156,953	5,354,476
WEP TreeCo Co-Investment, L.P.	4,244,159					318,768	4,562,927
Accel-KKR Capital Partners VII	1,947,529				2,615,428	-1,131,443	3,431,514
Petershill PES II	313,903						313,903
Blue Owl Strategic Equity Holdco LLC					31,250		31,250
Private Credit	**420,958,308**			**-299,252**	**11,642,599**	**6,104,414**	**439,059,768**
DC Value Recovery Fund IV	16,476,738				-7,294,306	-115,340	9,067,092
Sixth Street TAO Partners (B)	50,428,470				-3,347,063	-1,859,743	45,221,664
Brookfield Real Estate Finance Fund V	5,490,556				-134,102	123,437	5,479,891
Magnetar Constellation Fund V	9,570,861				-536,686	441,702	9,475,877
H.I.G. Bayside Loan Opportunity Fund V	38,098,948				-4,631,053	624,659	34,092,554
Blue Torch Credit Opportunities Fund II	13,114,375				-494,195	-503,159	12,117,021
Fortress Credit Opportunites Fund V Expansion	32,782,118				-1,203,816	936,173	32,514,475
Fortress Lending Fund II	13,646,664				-2,390,043	702,822	11,959,443
Blue Torch Credit Opportunities Fund III	35,071,291				-540,784	1,291,730	35,822,237
Fortress Lending Fund III	22,840,023				-2,613,666	554,391	20,780,748
OrbiMed Royalty & Credit Opportunities IV	19,453,766				-5,051,717	-463,606	14,592,143
Cerberus Business Finance V	24,829,655			-299,252	2,177,459	1,047,436	27,755,298
Silver Point Specialty Credit Fund III, L.P.	12,617,520				732,312	522,485	13,872,317
Ares Pathfinder II	15,932,451				1,144,811	527,902	17,605,164
Oak Hill Advisors Structured Products Fund III, L.P.	18,247,564				2,500,000	-784,190	19,963,374
ITE Rail Fund, L.P	40,830,388					871,839	41,702,227
Ares Senior Direct Lending Fund III LP	8,609,478				2,748,856	302,999	11,661,333
HPS Special Situations Opportunity Fund II, L.P.	11,341,741					334,293	11,676,034
Castlelake Aviation V Stable Yield, L.P.	5,511,269				-106,404	439,712	5,844,577
Fortress Credit Opportunites Fund VI Expansion	9,511,997				971,980	148,567	10,632,544
Quantum Capital Solutions II	10,627,372				3,456,880	666,798	14,751,050
Quantum Capital Solutions II Co-Investment Fund, LP	2,116,625				660,318	146,011	2,922,954
Blue Torch Credit Opportunities Fund IV	3,808,436				1,875,000	147,497	5,830,933

	Estimated Beginning Market Value	Contributions	Withdrawals	Fees	Net Transfers	Net Investment Change	Estimated Ending Market Value
Opportunistic	**154,904,628**				**-374,887**	**6,473,727**	**161,003,468**
Sixth Street TAO Partners (D)	71,706,130				-4,725,006	3,318,730	70,299,854
Aristeia Select Opportunities II	62,396,070					1,219,352	63,615,422
River Birch International - Opportunistic Investment	366,299				-796,424	430,125	
Hudson Bay Special Opportunities Fund LP	6,958,841				5,005,429	604,123	12,568,393
Pharo Opportunities Fund SPC	13,063,200					897,700	13,960,900
BPC Real Estate Debt Fund Co-Investment	414,087				141,114	3,698	558,899
Cash	**100,302,000**	**15,144,094**	**-1,642,963**		**50,806,399**	**1,823,579**	**166,604,535**
Short Term Investment Funds	27,147,364	15,144,094	-1,642,963		50,806,399	916,809	92,543,129
BlackRock Short Duration Fund	73,154,636					906,770	74,061,406
Other	**-123,299,002**	**8,556,874**	**-44,013,186**				**-158,755,314**
Parametric Cash Overlay	16,395,018	2,866,970	-3,313,705				15,948,282
Goldman Sachs Cash Account	-984,654	3,739,178	-2,513,867				240,657
Futures Offset	-140,908,365	1,231,726	-38,185,615				-177,862,254
Collateral Cash	2,199,000	719,000					2,918,000

Portfolio Reconciliation

	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Beginning Market Value	6,713,350,235	6,444,640,714	6,104,548,221	5,102,522,000	4,911,503,681	3,545,799,788
Contributions	723,031,478	1,717,617,301	3,787,811,902	9,173,680,377	16,166,401,078	24,022,612,399
Withdrawals	-710,052,218	-1,724,908,505	-3,840,307,515	-9,263,816,623	-16,350,864,241	-24,700,337,226
Fees	-1,068,100	-1,584,493	-2,106,525	-4,327,312	-30,436,708	-107,982,273
Net Cash Flows	12,979,259	-7,291,204	-52,495,613	-90,136,246	-184,463,163	-677,724,827
Net Investment Change	165,458,615	454,438,599	839,735,501	1,879,402,354	2,164,747,590	4,023,713,148
Ending Market Value	6,891,788,108	6,891,788,108	6,891,788,108	6,891,788,108	6,891,788,108	6,891,788,108
Net Change $	178,437,874	447,147,395	787,239,888	1,789,266,108	1,980,284,427	3,345,988,321

Contribution and withdrawals include transfers in and out of accounts. Ending market value is net of fees. Market value and flows do not include the Short Term Cash Account balance.

Risk Metrics

Correlation Matrix
3 Years Ending December 31, 2025

	A	B	C	D	E	F	G	H	I	J	K	L
A	1.00											
B	0.97	1.00										
C	0.91	0.95	1.00									
D	0.90	0.91	0.76	1.00								
E	0.74	0.74	0.60	0.70	1.00							
F	0.84	0.79	0.69	0.81	0.62	1.00						
G	0.76	0.71	0.62	0.75	0.53	0.98	1.00					
H	0.88	0.85	0.78	0.82	0.66	0.87	0.80	1.00				
I	0.90	0.87	0.76	0.86	0.77	0.92	0.86	0.84	1.00			
J	0.32	0.21	0.10	0.22	0.47	0.10	0.04	0.14	0.28	1.00		
K	0.50	0.51	0.50	0.47	0.32	0.28	0.21	0.49	0.33	0.12	1.00	
L	-0.07	-0.17	-0.22	-0.11	-0.04	-0.19	-0.21	-0.16	-0.12	0.08	-0.03	1.00

A = Total Fund
B = Equity
C = Domestic Equity
D = International Developed Equity
E = Emerging Markets Equity
F = Fixed Income
G = Core Fixed Income
H = High Yield/ Specialty Credit
I = Emerging Market Debt
J = Commodities
K = Hedge Funds
L = Core Real Estate

Low Interaction
Moderate Interation
Moderate to High Interation
High Interaction

	Alpha	Beta	R-Squared	Return	Information Ratio	Excess Performance	Tracking Error	Sharpe Ratio	Excess Return	Standard Deviation	Sortino Ratio	Up Capture	Down Capture
Total Fund	0.7	0.9	1.0	11.0	-0.8	-0.9	1.1	1.1	5.9	5.2	2.0	90.5	85.7
Equity	-0.5	1.0	1.0	18.7	-0.9	-1.3	1.3	1.2	13.1	11.1	2.2	96.3	101.1
Domestic Equity	-1.6	1.0	1.0	20.2	-1.8	-2.2	1.0	1.2	14.6	12.3	2.2	95.2	104.0
International Developed Equity	0.6	0.9	1.0	17.0	-0.2	-0.4	1.8	1.0	11.8	11.6	1.8	97.2	96.6
Emerging Markets Equity	2.7	1.0	1.0	18.5	0.9	2.3	2.1	1.1	13.2	12.4	1.9	103.2	91.2
Fixed Income	0.1	1.0	1.0	6.1	-0.1	0.0	0.4	0.3	1.4	5.4	0.4	99.9	100.8
Core Fixed Income	-0.2	1.0	1.0	4.4	-0.6	-0.3	0.5	0.0	-0.3	5.8	-0.1	96.5	98.7
High Yield/ Specialty Credit	0.6	0.8	0.9	8.1	-1.1	-1.9	1.7	0.8	3.2	3.8	1.6	78.7	68.6
Emerging Market Debt	0.6	1.0	1.0	10.8	0.7	0.8	1.1	0.8	5.9	7.1	1.4	103.2	96.7
Commodities	5.3	0.9	0.8	9.0	1.2	5.0	3.9	0.5	4.4	9.4	0.7	92.9	47.6
Hedge Funds	4.8	0.3	0.2	8.1	-1.4	-3.8	2.5	1.9	3.2	1.7	3.6	55.8	-202.7
Alpha Pool	36.4	-3.3	0.1	3.1	-3.0	-5.9	1.9	-0.9	-1.6	1.8	-1.0	35.8	-
Midstream Energy	2.0	0.8	0.9	18.3	-0.4	-1.7	4.2	1.1	13.0	12.0	2.1	85.0	74.0
Core Real Estate	-2.3	1.4	0.8	-7.2	-1.1	-3.8	3.6	-1.7	-11.9	6.7	-1.6	97.5	173.4
Private Real Assets	0.0	1.0	1.0	0.5	-	0.0	0.0	-1.0	-4.1	4.1	-1.2	100.0	100.0
Private Equity	0.0	1.0	1.0	10.9	-0.6	0.0	0.0	1.3	5.8	4.4	4.2	99.9	100.0
Private Credit	-0.1	1.0	1.0	10.6	-2.4	-0.1	0.0	1.2	5.5	4.6	5.1	99.3	104.8
Opportunistic	-	-	-	12.1	0.3	2.1	8.7	0.8	7.1	8.7	1.5	123.9	-

Risk Return Statistics: Last Three Years

	3 Years													
	Equity	MSCI AC World IMI (Net)	Core Plus Fixed Income	Bloomberg U.S. Aggregate Index	High Yield/ Specialty Credit	ICE BofA U.S. High Yield Index	Emerging Market Debt	50 JPM EMBI Global Div/ 50 JPM GBI EM Global Div	Commodities	Bloomberg Commodity Index Total Return	Hedge Funds	75% 3 Month T-Bill +4% / 25% MSCI ACWI (net)	Core Real Estate	NCREIF ODCE-monthly
RETURN SUMMARY STATISTICS														
Up Market Periods	26	26	21	21	28	28	26	26	19	19	28	28	30	30
Down Market Periods	10	10	15	15	8	8	10	10	17	17	8	8	6	6
Maximum Return	8.39	9.24	4.23	4.53	3.77	4.55	5.51	5.47	6.99	6.26	1.46	2.89	2.53	1.16
Minimum Return	-3.95	-4.21	-2.60	-2.59	-1.49	-1.29	-2.91	-3.17	-5.48	-5.64	-0.74	-0.49	-6.33	-4.83
Return	18.68	19.98	4.36	4.66	8.11	10.03	10.83	10.07	8.98	3.96	8.15	11.95	-7.21	-3.45
Excess Return	13.14	14.28	-0.27	0.03	3.18	4.99	5.86	5.16	4.35	-0.36	3.16	6.67	-11.94	-8.13
Excess Performance	-1.30	0.00	-0.30	0.00	-1.92	0.00	0.76	0.00	5.02	0.00	-3.80	0.00	-3.76	0.00
RISK SUMMARY STATISTICS														
Beta	0.97	1.00	0.97	1.00	0.76	1.00	1.01	1.00	0.89	1.00	0.28	1.00	1.43	1.00
Upside Risk	10.99	11.44	4.87	5.08	4.20	5.23	6.79	6.51	8.10	7.44	2.79	4.30	2.52	1.29
Downside Risk	5.32	5.36	3.42	3.43	1.36	1.64	3.61	3.72	5.36	6.22	0.47	0.45	6.59	4.08
RISK/RETURN SUMMARY STATISTICS														
Standard Deviation	11.07	11.39	5.81	5.98	3.79	4.72	7.06	6.94	9.36	9.62	1.68	2.81	6.73	4.16
Alpha	-0.50	0.00	-0.16	0.00	0.56	0.00	0.64	0.00	5.32	0.00	4.75	0.00	-2.30	0.00
Sharpe Ratio	1.19	1.26	-0.05	0.01	0.84	1.06	0.83	0.74	0.46	-0.04	1.89	2.39	-1.75	-1.91
Excess Risk	11.06	11.38	5.81	5.97	3.77	4.69	7.05	6.93	9.36	9.63	1.67	2.79	6.84	4.25
Tracking Error	1.25	0.00	0.48	0.00	1.72	0.00	1.06	0.00	3.94	0.00	2.50	0.00	3.61	0.00
Information Ratio	-0.91	-	-0.63	-	-1.06	-	0.66	-	1.20	-	-1.40	-	-1.06	-
CORRELATION STATISTICS														
R-Squared	0.99	1.00	0.99	1.00	0.89	1.00	0.98	1.00	0.84	1.00	0.22	1.00	0.79	1.00
Actual Correlation	0.99	1.00	1.00	1.00	0.94	1.00	0.99	1.00	0.91	1.00	0.47	1.00	0.89	1.00

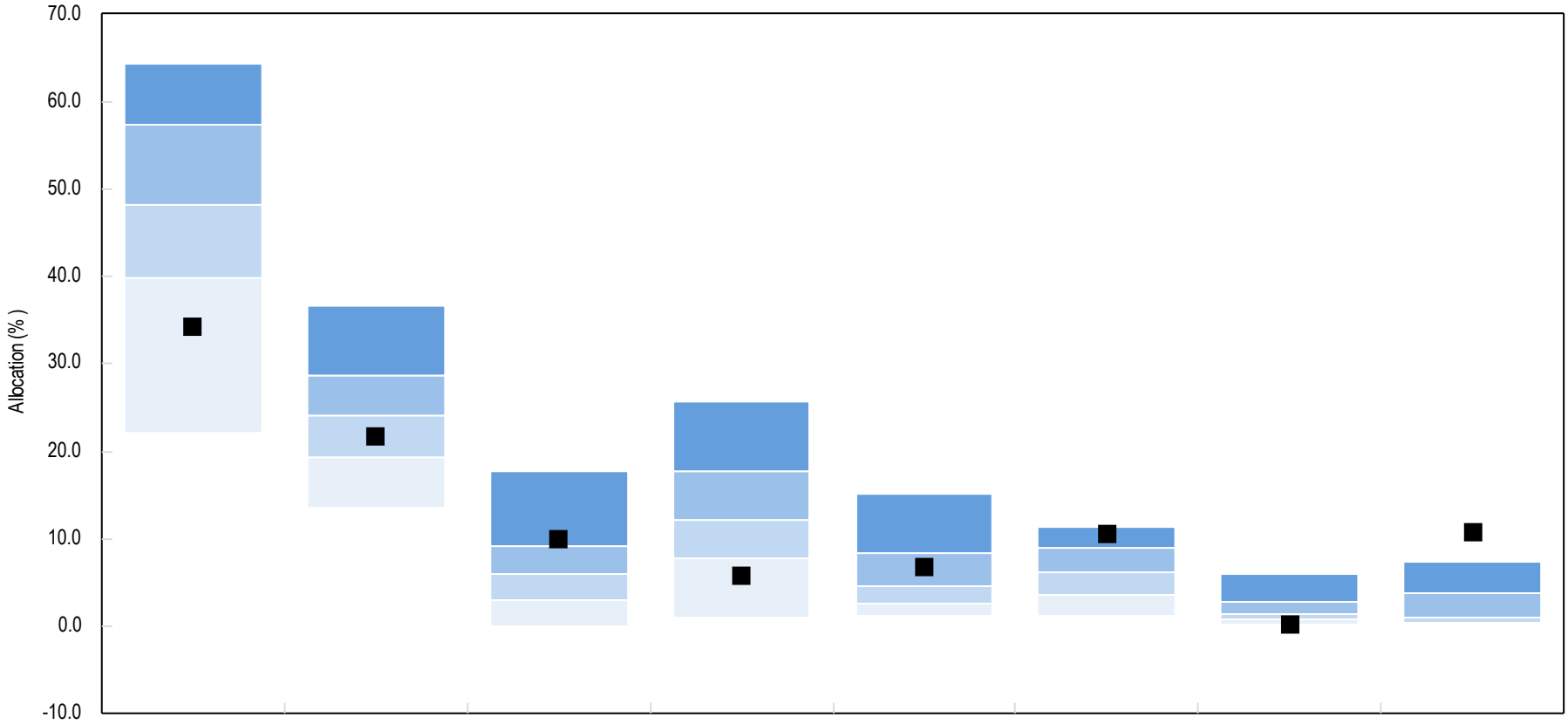
Risk Return Statistics: Last Two Years

	2 Yrs			
	Midstream Energy	Alerian Midstream Energy Index	Opportunistic	Assumed Rate of Return +3%
RETURN SUMMARY STATISTICS				
Up Market Periods	18	18	24	24
Down Market Periods	6	6	0	0
Maximum Return	12.72	14.38	10.18	0.80
Minimum Return	-5.47	-6.43	-6.31	0.80
Return	18.69	23.17	15.12	10.00
Excess Return	13.45	17.50	9.98	4.95
Excess Performance	-4.48	0.00	5.12	0.00
RISK SUMMARY STATISTICS				
Beta	0.83	1.00	-	-
Upside Risk	12.32	14.41	9.19	2.76
Downside Risk	6.39	7.54	4.58	0.00
RISK/RETURN SUMMARY STATISTICS				
Standard Deviation	12.86	14.95	9.37	0.00
Alpha	-0.32	0.00	-	-
Sharpe Ratio	1.05	1.17	1.07	27.52
Excess Risk	12.84	14.93	9.37	0.18
Tracking Error	4.17	0.00	9.37	0.00
Information Ratio	-0.97	-	0.54	-
CORRELATION STATISTICS				
R-Squared	0.93	1.00	-	-
Actual Correlation	0.97	1.00	-	-

Data for unavailable for positions held for less than two years.

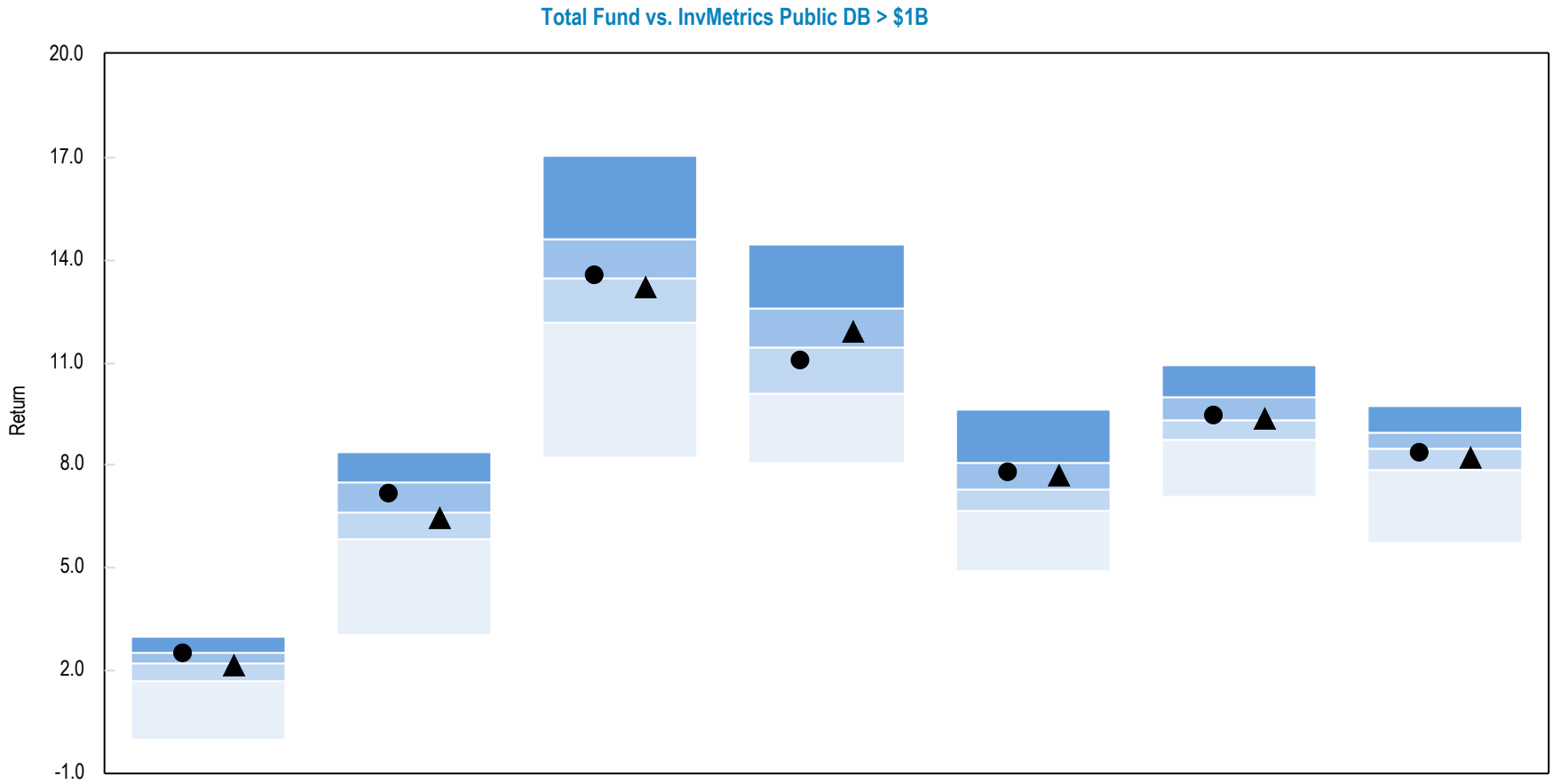
Peer Comparison

Total Plan Allocation vs. InvMetrics Public DB > $1B
As of December 31, 2025



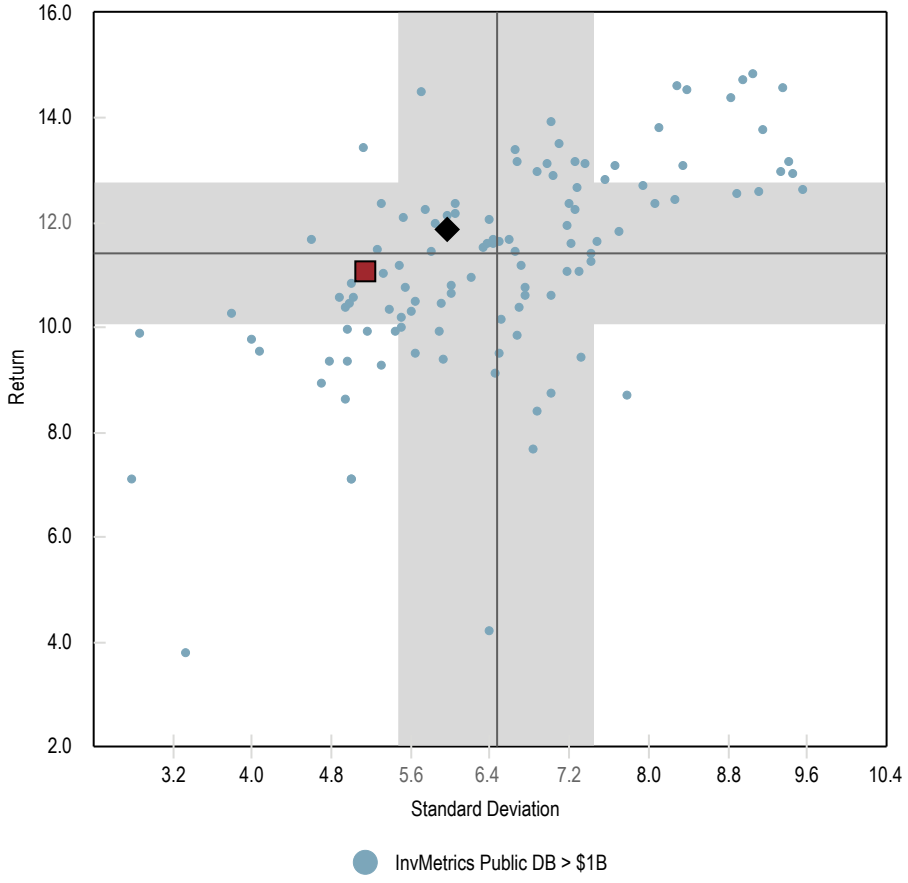
	Total Equity	Total Fixed Income	Hedge Funds	Private Equity	Real Assets/Commod	Real Estate - Private	Cash & Equivalents	Other
Total Fund	34.3 (87)	21.8 (62)	10.0 (20)	5.8 (82)	6.8 (33)	10.5 (10)	0.1 (99)	10.7 (1)
5th Percentile	64.4	36.7	17.7	25.7	15.2	11.4	5.9	7.3
1st Quartile	57.4	28.7	9.2	17.8	8.3	8.9	2.8	3.7
Median	48.3	24.2	5.9	12.2	4.6	6.1	1.4	0.9
3rd Quartile	39.9	19.4	2.9	7.9	2.5	3.6	0.7	0.4
95th Percentile	22.1	13.6	0.0	0.9	1.1	1.2	0.2	0.1
Population	114	114	52	102	72	94	109	19

Parentheses contain percentile rankings. Other contains Alpha Pool, Opportunistic, and Private Credit. Real Estate contains Private and Core Real Estate. Real Assets contain Commodities and Midstream.



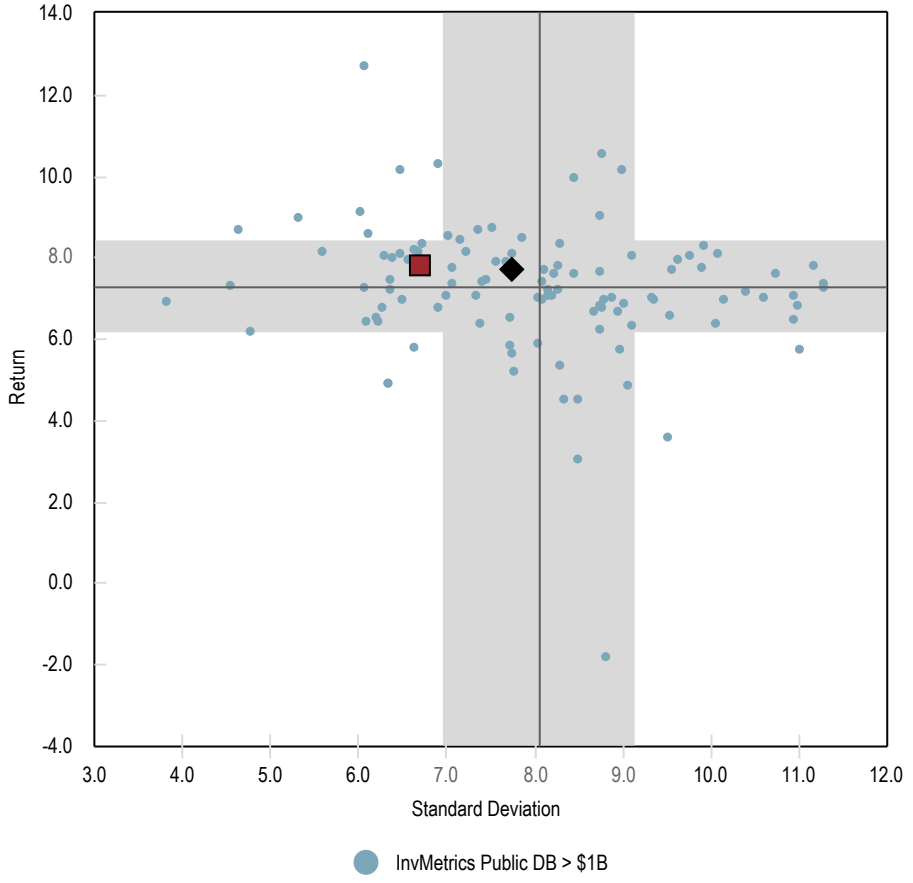
	Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years
● Total Fund	2.5 (24)	7.2 (32)	13.6 (48)	11.1 (55)	7.8 (34)	9.5 (41)	8.4 (54)
▲ Policy Index	2.2 (54)	6.5 (57)	13.2 (60)	11.9 (39)	7.7 (39)	9.4 (47)	8.3 (56)
5th Percentile	3.0	8.4	17.0	14.4	9.6	10.9	9.8
1st Quartile	2.5	7.5	14.6	12.6	8.1	10.0	9.0
Median	2.2	6.6	13.5	11.4	7.3	9.3	8.5
3rd Quartile	1.7	5.9	12.2	10.1	6.7	8.8	7.9
95th Percentile	0.0	3.0	8.2	8.1	4.9	7.1	5.7
Population	112	112	112	112	110	108	107

Annualized Return vs. Annualized Standard Deviation
3 Years Ending December 31, 2025



	Return	Standard Deviation
Total Fund	11.10	5.15
Policy Index	11.89	5.98
Median	11.43	6.47
Population	112	112

Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2025



	Return	Standard Deviation
Total Fund	7.81	6.70
Policy Index	7.71	7.73
Median	7.29	8.05
Population	110	110

Other

	2025 Q4	2025 Q3	2025 Q2	2025 Q1	2024 Q4	2024 Q3	2024 Q2	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1
Total Fund	**2.4**	**4.5**	**4.6**	**1.6**	**-0.4**	**4.8**	**1.2**	**3.8**	**5.1**	**-0.9**	**1.9**	**3.2**
Policy Index	*2.2*	*4.2*	*4.8*	*1.4*	*-0.1*	*4.9*	*1.8*	*3.7*	*6.2*	*-1.4*	*2.9*	*3.8*

	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1
Total Fund	**4.5**	**-3.1**	**-7.5**	**-0.8**	**3.6**	**0.5**	**5.5**	**3.5**	**8.8**	**4.4**	**10.7**	**-11.3**
Policy Index	*5.5*	*-3.8*	*-8.9*	*-1.3*	*3.3*	*0.7*	*5.6*	*3.2*	*8.8*	*4.5*	*10.1*	*-11.1*

	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1
Total Fund	**4.6**	**0.2**	**3.1**	**6.8**	**-6.4**	**2.3**	**0.3**	**-0.1**	**3.0**	**3.2**	**2.7**	**4.2**
Policy Index	*4.6*	*0.8*	*3.0*	*7.0*	*-5.5*	*2.2*	*0.7*	*-0.1*	*3.1*	*3.0*	*2.7*	*3.5*

Performance Return Calculations

Performance is calculated using a Time Weighted Rates of Return (TWRR) methodology. Monthly returns are linked geometrically and annualized for periods longer than one year.

Data Source

Verus is an independent third party consulting firm and calculates returns from best source book of record data. Returns calculated by Verus may deviate from those shown by the manager in part, but not limited to, differences in prices and market values reported by the custodian and manager, as well as significant cash flows into or out of an account. It is the responsibility of the manager and custodian to provide insight into the pricing methodologies and any difference in valuation.

Illiquid Alternatives

Due to the inability to receive final valuation prior to report production, closed end funds (including but are not limited to Real Estate, Hedge Funds, Private Equity, and Private Credit) performance is typically reported at a one-quarter lag. Valuation is reported at a one-quarter lag, adjusted for current quarter flow (cash flows are captured real time). Closed end fund performance is calculated using a time-weighted return methodology consistent with all portfolio and total fund performance calculations. For Private Markets, performance reports also include Verus-calculated multiples based on flows and valuations (e.g. DPI and TVPI) and manager-provided IRRs.

Manager Line Up

Investment Fund or Strategy	Fund Incepted	Data Source
Abbott Capital PE VI	3/31/2008	Abbott Capital
Accel-KKR Capital Partners VII	2/6/2025	Accel
ABS Emerging Market Direct	8/29/2024	ABS
American Century Non-US Small Cap	12/15/2020	American Century
Ares Pathfinder	10/1/2023	Ares
Aristeia International Limited	5/1/2014	Northern Trust
Aristotle Pacific Capital, LLC	1/6/2025	Aristotle
ASB Real Estate	9/30/2013	ASB
Barclays Capital Aggregate Rebalancing Overlay	6/15/2022	Parametric
BlackRock Short Duration Fund	9/8/2021	BlackRock
Blue Owl Real Estate Fund VI	3/18/2024	Blue Owl
Blue Owl Strategic Equity Partners	9/6/2024	Blue Owl
Blue Torch Credit Opportunities	7/24/2020	Blue Torch
Blue Torch Credit Opportunities Fund IV	9/30/2020	Blue Torch
BPC Real Estate Debt Fund LP	3/1/2025	BPC
BPC Real Estate Debt Fund Co-Investment	8/25/2025	BPC
Brevan Howard	11/1/2013	Northern Trust
Brighton Private Equity	3/28/2021	Brighton
Brighton Park Capital Fund II, L.P	9/30/2022	Brighton
Brookfield Real Estate Finance Fund V	12/18/2017	Northern Trust
Carrhae Capital Long Master Fund	8/1/2024	Carrhae
Castlelake Aviation V Stable Yield, L.P	10/24/2024	Castlelake
Cerberus Business Finance V	8/25/2023	Cerberus
Cevian Capital II	12/30/2014	Northern Trust
Chilton High Conviction Equity	5/1/2025	Chilton
Covenant Apartment Fund X	10/29/2020	Covenant
Covenant Apartment Fund XII	3/1/2025	Covenant
Crown Global Secondaries V Master S.C.Sp	2/1/2021	Crown
Crown Global Secondaries Fund VI	2/1/2021	Crown
Dalton Japan Long Only	10/31/2023	Dalton
DC Value Recovery fund IV	12/28/2015	Colony
D.E. Shaw	6/30/2013	Northern Trust
DFA Emerging Markets Value I	3/7/2014	Northern Trust
Elliot Associates	7/1/2024	Elliott
Fortress Credit Opportunities	12/17/2020	Fortress
Fortress Lending Fund II	3/15/2021	Fortress
Fortress Credit Opportunities Fund VI Expansion	10/1/2024	Fortress
Garda Fixed Income Relative Value Opp	9/30/2021	Garda
Geneva Capital Small Cap Growth	7/22/2015	Geneva
Gresham MTAP Commodity	9/3/2013	Gresham
Guggenheim	6/2/2025	Guggenheim
Harvest Midstream	9/28/2020	Harvest Midstream
Hawk Ridge Partners II	8/31/2025	Hawk Ridge
HBK Fund II	11/1/2013	Northern Trust
Henderson Smallcap Growth	7/22/2015	Northern Trust
H.I.G Bayside Loan Opportunities Fund V	7/24/2019	H.I.G. Capital
Hudson Bay	6/7/2019	Northern Trust
Hudson Bay Real Estate Opportunities	1/23/2025	Hudson Bay
Hudson Bay Special Opportunities Fund	2/20/2024	Hudson Bay
Indus Pacific Opportunities	6/30/2014	Northern Trust
Invesco Real Estate III	6/30/2013	Invesco
Invesco Real Estate IV	12/18/2015	Invesco
ITE Rail Fund, L.P	2/27/224	ITE Rail
J.P. Morgan Strategic Property	7/2/2014	J.P. Morgan
Juniper High Noon Partners, L.P	3/18/2024	Juniper
Juniper Capital IV, L.P.	4/26/2023	Juniper
KKR US Broadly Syndicated Loan Fund	10/21/2024	Mellon
KSL Capital Partners VI	4/26/2023	KSL Capital
Landmark Real Estate Partners VIII	4/29/2018	Landmark
Landmark Real Estate Partners IX	4/1/2024	Landmark
Lazard Japanese Equity	11/1/2023	Lazard
LBA Logistics Value Fund IX, L.P.	2/22/2022	LBA
Level Equity Growth Partners V	11/1/2021	Level Equity
Level Equity Opportunities Fund 2021	11/1/2021	Level Equity
LGT Crown	2/1/2021	LGT
Linden Capital Partners V LP	7/19/2022	Linden
Linden Co-Investment V LP	6/30/2022	Linden
Longreach Capital Partners	5/28/2024	Long Reach
Long Wharf Real Estate	6/27/2019	Long Wharf
LRAF Holdings 21 Yeti II LP	12/6/2024	Long Wharf
Magnetar Constellation	11/14/2018	Magnetar
Mellon Aggregate Bond Index Fund	1/14/2011	Mellon
Mellon EB DV Stock Index	10/18/2017	Mellon
Mellon EB DV World ex-US Index	8/1/2018	Mellon
Merit Hill Self Storage	11/3/2023	Merit
Myriad Opportunities Offshore	5/19/2016	Northern Trust
Oak Hill Advisors	12/22/2023	Oak Hill
OrbiMed Private Investments IV, LP	11/4/2022	OrbiMed
OrbiMed Royalty & Credit Opportunities	9/12/2022	OrbiMed
Pantheon Global III	6/30/2000	Pantheon
Pantheon USA V	6/30/2005	Pantheon
Pantheon USA VI	3/31/2005	Pantheon
Pantheon USA VII	3/31/2005	Pantheon
Parametric Overlay/ Cap Efficiency Program	7/31/2020	Parametric
Peak Rock Capital Fund III	7/13/2021	Peak Rock
Petershill PES II	9/25/2025	Petershill
Pharo Opportunities Fund SPC	6/28/2024	Pharo
PIMCO Core Plus	1/21/2011	Northern Trust
PIMCO Commodity Alpha	5/4/2016	PIMCO
PIMCO EMD	2/29/2020	Northern Trust
PIMCO Midstream	10/9/2020	PIMCO
PIMCO StocksPLUS	7/14/2003	PIMCO
Post Oak Energy Partners GP V, LP	3/1/2025	Post
Fidelity Non-US Small Cap Equity	6/10/2008	Northern Trust
Quantum Capital Solutions II	11/1/2024	Quantum
Quantum Capital Solutions II Co-Investment Fund, LP	11/1/2024	Quantum
River Birch	8/3/2015	Northern Trust
Rubicon Technology Partners IV LP	11/30/2022	Rubicon
Russell 2000 Overlay	8/31/2025	Parametric
Schroders	6/10/2025	Schroders
Silver Point Specialty Credit Fund III, L.P.	10/4/2023	Singerman
Singerman Real Estate Opportunity Fund IV	10/27/2021	Sculptor
Sculptor Diversified REIT	12/2/2024	Sculptor
Sculptor Enhanced Domestic Partners	3/26/2019	Sculptor
Sculptor Real Estate Fund V, LP	7/30/2024	Sculptor
Short Term Cash Account	12/31/2000	Northern Trust
Short Term Investment Funds	6/30/2000	Stone Harbor
Stone Harbor Emerging Markets Debt	8/8/2012	TPG Sixth Street
TAO Contingent	4/16/2020	TCW
TCW Securitized Opportunities	2/3/2016	Northern Trust
TPG AG Essential Housing III	11/1/2024	TPG Sixth Street
Transition Equity	9/30/2010	Northern Trust
Transition Fixed Income	9/30/2010	TPG Sixth Street
TSSP Adjacent Opportunities Partners	11/17/2017	Vista Equity
Vista Equity Partners	7/24/2020	Warren
Warren Equity III	4/1/2021	Warren
Warren Equity IV	1/1/2023	Wellington
Wellington Alternative Investments	2/9/2023	Wellington
WEP IV TS Co-Investment, L.P.	8/14/2023	Northern Trust
WEP TreeCo Co-Investment, L.P	2/7/2025	WEP
Western Asset Core Plus	5/31/2004	Northern Trust
Western Asset High Yield Fixed income	5/31/2005	Western Asset

Policy & Custom Index Composition	
Policy Index: 7/1/2025 - Present	33% MSCI ACWI IMI (Net), 27% Fixed Income Blend - 16% Core (9% Bloomberg US Aggregate Index, 3% ICE BofAML 7-10 Year US Treasury Index, 4% Bloomberg US Corporate Credit 1-3 Year Index). 10% Credit (5% Securitized (2.5% Bloomberg Non-Agency CMBS Index; 1.67% Bloomberg ABS Index; 0.83% J.P. Morgan CLOIE AAA Index) 2.5% Morningstar LSTA Leverage Loan Index. 2.5% Emerging Market Debt (2.5% JPM EMBI Global Div - Hard currency only, 4% Bloomberg Commodity Index, 10% Hedge fund (7.5% 3-Month T-bill + 3%, 2.5% MSCI ACWI (Net)), 2.5% 3-Month T-Bill + 3%, 5% Alerian Midstream Energy Index, 6% NCREIF-ODCE Gross Monthly, 5% actual timeweighted Private Equity Returns*, 6% actual time-weighted Private Credit Returns*, 4% actual time-weighted Private Real Estate Returns*, 0% Assumed Rate of Return +3%, -2.5% 3-Month T-bill.
Policy Index: 5/1/2025 - 7/1/25	33% MSCI ACWI IMI (Net), 27% Fixed Income Blend - 19% Core (12% Bloomberg US Aggregate Index, 3% ICE BofAML 7-10 Year US Treasury Index, 4% Bloomberg US Corporate Credit 1-3 Year Index). 8% Credit (1.5% Securitized (0.75% Bloomberg Non-Agency CMBS Index; 0.50% Bloomberg ABS Index; 0.25% J.P. Morgan CLOIE AAA Index) 2.5% Morningstar LSTA Leverage Loan Index. 4% Emerging Market Debt (2% JPM EMBI Global Div / 2% JPM GBI EM Global Div)), 4% Bloomberg Commodity Index, 10% Hedge fund (7.5% 3-Month T-bill + 3%, 2.5% MSCI ACWI (Net)), 2.5% 3-Month T-Bill + 3%, 5% Alerian Midstream Energy Index, 6% NCREIF-ODCE Net Monthly, 5% actual timeweighted Private Equity Returns*, 6% actual time-weighted Private Credit Returns*, 4% actual time-weighted Private Real Estate Returns*, 0% Assumed Rate of Return +3%, -2.5% 3-Month T-bill.
Policy Index: 1/1/2025 - Present	33% MSCI ACWI IMI (Net), 27% Fixed Income Blend - 19% Core (12% Bloomberg US Aggregate Index, 3% ICE BofAML 7-10 Year US Treasury Index, 4% Bloomberg US Corporate Credit 1-3 Year Index). 8% Credit (1.5% Securitized (0.75% Bloomberg Non-Agency CMBS Index; 0.50% Bloomberg ABS Index; 0.25% J.P. Morgan CLOIE AAA Index) 2.5% Morningstar LSTA Leverage Loan Index. 4% Emerging Market Debt (2% JPM EMBI Global Div / 2% JPM GBI EM Global Div), 4% Bloomberg Commodity Index, 10% Hedge fund (7.5% 3-Month T-bill + 3%, 2.5% MSCI ACWI (Net)), 4% 3-Month T-Bill + 3%, 5% Alerian Midstream Energy Index, 6% NCREIF-ODCE Gross Monthly, 5% actual timeweighted Private Equity Returns*, 6% actual time-weighted Private Credit Returns*, 4% actual time-weighted Private Real Estate Returns*, 0% Assumed Rate of Return +3%, -4% 3-Month T-bill.
Policy Index: 11/1/2024 - 1/1/2025	Policy Index: 33% MSCI ACWI IMI (Net), 25% Fixed Income Blend - 17% Core (14% Bloomberg US Aggregate Index, 3% ICE BofAML 7-10 Year US Treasury Index). 8% Credit (1.5% Securitized (0.75% Bloomberg Non-Agency CMBS Index; 0.50% Bloomberg ABS Index; 0.25% J.P. Morgan CLOIE AAA Index) 2.5% Morningstar LSTA Leverage Loan Index, 4% Emerging Market Debt (2% JPM EMBI Global Div / 2% JPM GBI EM Global Div), 4% Bloomberg Commodity Index, 10% Hedge fund (7.5% 3-Month T-bill + 3%, 2.5% MSCI ACWI (Net)), 4% 3-Month T-Bill + 3%, 5% Alerian Midstream Energy Index, 5% NCREIF-ODCE Gross Monthly, 5% actual time-weighted Private Equity Returns*, 8% actual time-weighted Private Credit Returns*, 5% actual time-weighted Private Real Estate Returns*, 0% Assumed Rate of Return +3%, -4% 3-Month T-bill.
Policy Index: 10/1/2023 - 11/1/2024	33% MSCI ACWI IMI (Net), 15% Bloomberg US Aggregate, 6% Ice BofA ML High Yield Master II Index, 2% JPM Emerging Markets Bond Index Global Diversified, 2% JPM Government Bond Index-Emerging Markets Global Diversified, 4% Bloomberg Commodity Index, 7.5% 3-Month T-bill +3%, 2.5% MSCI ACWI (Net), 8% 90 Day T-Bill + 3%, 5% Alerian Midstream Energy Index, 5% NCREIF-ODCE Gross Monthly, 5% actual time-weighted Private Equity Returns*, 8% actual time-weighted Private Credit Returns*, 5% actual time-weighted Private Real Estate Returns*, 0% Assumed Rate of Return +3%, -8% 90 Day T-bill.
Policy Index: 4/1/2022-9/30/23	37% MSCI ACWI IMI (Net), 14% Bloomberg US Aggregate, 6% Ice BofA ML High Yield Master II Index, 2% JPM Emerging Markets Bond Index Global Diversified, 2% JPM Government Bond Index-Emerging Markets Global Diversified, 4% Bloomberg Commodity Index, 7.5% 3-Month T-bill +4%, 2.5% MSCI ACWI (Net), 8% 91 Day T-Bill + 4%, 5% NCREIF-ODCE Gross Monthly, 5% actual time-weighted Private Equity Returns*, 5% actual time-weighted Private Credit Returns*, 5% actual time-weighted Private Real Estate Returns*, 5% Alerian Midstream, 0% Assumed Rate of Return +3%, -8% 3-Month T-bill.
Policy Index: 7/1/2021-4/1/2022	37% MSCI ACWI IMI, 14% Bloomberg US Aggregate, 6% Ice BofA ML High Yield Master II Index, 2% JPM Emerging Markets Bond Index Global Diversified, 2% JPM Government Bond Index-Emerging Markets, 4% Bloomberg Commodity Index, 7.5% 3-Month T-bill +400bps, 2.5% MSCI ACWI, 5% NCREIF-ODCE, 2% actual time-weighted Private Equity Returns*, 4% actual time-weighted Private Credit Returns*, 1% actual time-weighted Private Real Estate Returns*, 3% MSCI ACWI*, 1% Bloomberg US Aggregate*, 4% Bloomberg US Aggregate, 5% Alerian Midstream, 5% 3-Month T-bill +400bps, 91 Day T-Bills, -5% 3-Month T-bill.
Policy Index: 1/1/2021-6/30/2021	37% MSCI ACWI IMI, 14% Bloomberg US Aggregate, 6% Ice BofA ML High Yield Master II Index, 2% JPM Emerging Markets Bond Index Global Diversified, 2% JPM Government Bond Index-Emerging Markets, 4% Bloomberg Commodity Index, 7.5% 3-Month T-bill +400bps, 2.5% MSCI ACWI, 5% NCREIF-ODCE, 1% actual time-weighted Private Equity Returns*, 4% actual time-weighted Private Credit Returns*, 1% actual time-weighted Private Real Estate Returns*, 4% MSCI ACWI*, 1% Bloomberg US Aggregate*, 4% Bloomberg US Aggregate, 5% Alerian Midstream, 5% 3-Month T-bill +400bps, 91 Day T-Bills, -5% 3-Month T-bill.
Policy Index: 7/1/2020-12/31/2020	37% MSCI ACWI IMI, 14% Bloomberg US Aggregate, 6% Ice BofA ML High Yield Master II Index, 2% JPM Emerging Markets Bond Index Global Diversified, 2% JPM Government Bond Index-Emerging Markets, 4% Bloomberg Commodity Index, 7.5% 3-Month T-bill +400bps, 2.5% MSCI ACWI, 5% NCREIF-ODCE, 1% actual time-weighted Private Equity Returns*, 4% actual time-weighted Private Credit Returns*, 1% actual time-weighted Private Real Estate Returns*, 4% MSCI ACWI*, 5% Bloomberg US Aggregate, 1% Alerian Midstream, 4% Bloomberg US Aggregate
Policy Index: 4/1/2020-6/30/2020	37% MSCI ACWI IMI, 19% Bloomberg US Aggregate, 6% Ice BofA ML High Yield Master II Index, 2% JPM Emerging Markets Bond Index Global Diversified, 2% JPM Government Bond Index-Emerging Markets, 4% Bloomberg Commodity Index, 7.5% 3-Month T-bill +400bps, 2.5% MSCI ACWI, 5% NCREIF-ODCE, 1% actual time-weighted Private Equity Returns*, 4% actual time-weighted Private Credit Returns*, 1% actual time-weighted Private Real Estate Returns*, 3% MSCI ACWI*, 5% Bloomberg US Aggregate*.
Policy Index: 1/1/2020-3/31/2020	37% MSCI ACWI IMI, 19% Bloomberg US Aggregate, 6% Ice BofA ML High Yield Master II Index, 2% JPM Emerging Markets Bond Index Global Diversified, 2% JPM Government Bond Index-Emerging Markets, 4% Bloomberg Commodity Index, 7.5% 3-Month T-bill +400bps, 2.5% MSCI ACWI, 5% NCREIF-ODCE, 2% actual time-weighted Private Equity Returns*, 4% actual time-weighted Private Credit Returns*, 1% actual time-weighted Private Real Estate Returns*, 3% MSCI ACWI*, 5% Bloomberg US Aggregate*.
Policy Index: 10/1/2019-12/31/2019	37% MSCI ACWI IMI, 19% Bloomberg US Aggregate, 6% Ice BofA ML High Yield Master II Index, 2% JPM Emerging Markets Bond Index Global Diversified, 2% JPM Government Bond Index-Emerging Markets, 4% Bloomberg Commodity Index, 7.5% 3-Month T-bill +400bps, 2.5% MSCI ACWI, 5% NCREIF-ODCE, 2% actual time-weighted Private Equity Returns*, 3% actual time-weighted Private Credit Returns*, 1% actual time-weighted Private Real Estate Returns*, 3% MSCI ACWI*, 6% Bloomberg US Aggregate*.
Policy Index: 7/1/2019-9/30/2019	37% MSCI ACWI IMI, 19% Bloomberg US Aggregate, 6% Ice BofA ML High Yield Master II Index, 2% JPM Emerging Markets Bond Index Global Diversified, 2% JPM Government Bond Index-Emerging Markets, 4% Bloomberg Commodity Index, 7.5% 3-Month T-bill +400bps, 2.5% MSCI ACWI, 5% NCREIF-ODCE, 2% actual time-weighted Private Equity Returns*, 4% actual time-weighted Private Credit Returns*, 1% actual time-weighted Private Real Estate Returns*, 3% MSCI ACWI*, 5% Bloomberg US Aggregate*.
Policy Index: 4/1/2019-6/30/2019	37% MSCI ACWI IMI, 19% Bloomberg US Aggregate, 6% Ice BofA ML High Yield Master II Index, 2% JPM Emerging Markets Bond Index Global Diversified, 2% JPM Government Bond Index-Emerging Markets, 4% Bloomberg Commodity Index, 7.5% 3-Month T-bill +400bps, 2.5% MSCI ACWI, 5% NCREIF-ODCE, 2% actual time-weighted Private Equity Returns*, 3% actual time-weighted Private Credit Returns*, 1% actual time-weighted Private Real Estate Returns*, 3% MSCI ACWI*, 6% Bloomberg US Aggregate*.
Policy Index: 1/1/2019-3/31/2019	37% MSCI ACWI IMI, 19% Bloomberg US Aggregate, 6% Ice BofA ML High Yield Master II Index, 2% JPM Emerging Markets Bond Index Global Diversified, 2% JPM Government Bond Index-Emerging Markets, 4% Bloomberg Commodity Index, 7.5% 3-Month T-bill +400bps, 2.5% MSCI ACWI, 5% NCREIF-ODCE, 2% actual time-weighted Private Equity Returns*, 3% actual time-weighted Private Credit Returns*, 2% actual time-weighted Private Real Estate Returns*, 3% MSCI ACWI*, 5% Bloomberg US Aggregate*.
Policy Index: 10/1/2018-12/31/2018	37% MSCI ACWI IMI, 19% Bloomberg US Aggregate, 6% Ice BofA ML High Yield Master II Index, 2% JPM Emerging Markets Bond Index Global Diversified, 2% JPM Government Bond Index-Emerging Markets, 4% Bloomberg Commodity Index, 7.5% 3-Month T-bill +400bps, 2.5% MSCI ACWI, 5% NCREIF-ODCE, 2% actual time-weighted Private Equity Returns*, 2% actual time-weighted Private Credit Returns*, 2% actual time-weighted Private Real Estate Returns*, 3% MSCI ACWI*, 6% Bloomberg US Aggregate*.
Policy Index: 7/1/2018-9/30/2018	37% MSCI ACWI IMI, 19% Bloomberg US Aggregate, 6% Ice BofA ML High Yield Master II Index, 2% JPM Emerging Markets Bond Index Global Diversified, 2% JPM Government Bond Index-Emerging Markets, 4% Bloomberg Commodity Index, 7.5% 3-Month T-bill +400bps, 2.5% MSCI ACWI, 5% NCREIF-ODCE, 3% actual time-weighted Private Equity Returns*, 2% actual time-weighted Private Credit Returns*, 1% actual time-weighted Private Real Estate Returns*, 2% MSCI ACWI*, 7% Bloomberg US Aggregate*.
Policy Index: 1/1/2017- 6/30/2018	19% Russell 3000 Index, 18% MSCI ACWI ex US, 29% Bloomberg US Aggregate, 10% NCREIF-ODCE, 4% Bloomberg Commodity Index, 7.5% 91-day T-bills + 400bps, 2.5% MSCI ACWI, 5% Russell 3000 Index + 300 bps, 5% ICE BofA ML High Yield + 200 bps.

Glossary

Allocation Effect: An attribution effect that describes the amount attributable to the managers' asset allocation decisions, relative to the benchmark.

Alpha: The excess return of a portfolio after adjusting for market risk. This excess return is attributable to the selection skill of the portfolio manager. Alpha is calculated as: Portfolio Return - [Risk-free Rate + Portfolio Beta x (Market Return - Risk-free Rate)].

Benchmark R-squared: Measures how well the Benchmark return series fits the manager's return series. The higher the Benchmark R-squared, the more appropriate the benchmark is for the manager.

Beta: A measure of systematic, or market risk; the part of risk in a portfolio or security that is attributable to general market movements. Beta is calculated by dividing the covariance of a security by the variance of the market.

Book-to-Market: The ratio of book value per share to market price per share. Growth managers typically have low book-to-market ratios while value managers typically have high book-to-market ratios.

Capture Ratio: A statistical measure of an investment manager's overall performance in up or down markets. The capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen (up market) or fallen (down market). The capture ratio is calculated by dividing the manager's returns by the returns of the index during the up/down market, and multiplying that factor by 100.

Correlation: A measure of the relative movement of returns of one security or asset class relative to another over time. A correlation of 1 means the returns of two securities move in lock step, a correlation of -1 means the returns of two securities move in the exact opposite direction over time. Correlation is used as a measure to help maximize the benefits of diversification when constructing an investment portfolio.

Excess Return: A measure of the difference in appreciation or depreciation in the price of an investment compared to its benchmark, over a given time period. This is usually expressed as a percentage and may be annualized over a number of years or represent a single period.

Information Ratio: A measure of a manager's ability to earn excess return without incurring additional risk. Information ratio is calculated as: excess return divided by tracking error.

Interaction Effect: An attribution effect that describes the portion of active management that is contributable to the cross interaction between the allocation and selection effect. This can also be explained as an effect that cannot be easily traced to a source.

Portfolio Turnover: The percentage of a portfolio that is sold and replaced (turned over) during a given time period. Low portfolio turnover is indicative of a buy and hold strategy while high portfolio turnover implies a more active form of management.

Price-to-Earnings Ratio (P/E): Also called the earnings multiplier, it is calculated by dividing the price of a company's stock into earnings per share. Growth managers typically hold stocks with high price-to-earnings ratios whereas value managers hold stocks with low price-to-earnings ratios.

R-Squared: Also called the coefficient of determination, it measures the amount of variation in one variable explained by variations in another, i.e., the goodness of fit to a benchmark. In the case of investments, the term is used to explain the amount of variation in a security or portfolio explained by movements in the market or the portfolio's benchmark.

Selection Effect: An attribution effect that describes the amount attributable to the managers' stock selection decisions, relative to the benchmark.

Sharpe Ratio: A measure of portfolio efficiency. The Sharpe Ratio indicates excess portfolio return for each unit of risk associated with achieving the excess return. The higher the Sharpe Ratio, the more efficient the portfolio. Sharpe ratio is calculated as: Portfolio Excess Return / Portfolio Standard Deviation.

Sortino Ratio: Measures the risk-adjusted return of an investment, portfolio, or strategy. It is a modification of the Sharpe Ratio, but penalizes only those returns falling below a specified benchmark. The Sortino Ratio uses downside deviation in the denominator rather than standard deviation, like the Sharpe Ratio.

Standard Deviation: A measure of volatility, or risk, inherent in a security or portfolio. The standard deviation of a series is a measure of the extent to which observations in the series differ from the arithmetic mean of the series. For example, if a security has an average annual rate of return of 10% and a standard deviation of 5%, then two-thirds of the time, one would expect to receive an annual rate of return between 5% and 15%.

Style Analysis: A return based analysis designed to identify combinations of passive investments to closely replicate the performance of funds

Style Map: A specialized form or scatter plot chart typically used to show where a Manager lies in relation to a set of style indices on a two-dimensional plane. This is simply a way of viewing the asset loadings in a different context. The coordinates are calculated by rescaling the asset loadings to range from -1 to 1 on each axis and are dependent on the Style Indices comprising the Map.

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